



Daily Report

Latin America

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Cuba

Castro Interview on 1st ANPP Session

FL0207002293 Havana Radio Rebelde Network in Spanish 1600 GMT 29 Jun 93

[Interview with Cuban President Fidel Castro by unidentified domestic reporters on 28 June at the Convention Center in Havana—recorded]

[Text] [Castro] For the amount of time available, much was discussed. We have to keep in mind that there is the report. The report is well written. And the resolution... [changes thought] There are two reports, two documents. One is the program, and the other is the report of the commission. It is very well done. The depth of the debates is reflected in it. The debates were earnest and in depth, although it was not possible to discuss everything. There are so many subjects, opinions, and experiences that 150 deputies could have spoken; 50 spoke. Only 50 spoke, but they said important things, each from a different perspective. I thought each address was very important.

[Reporter] Do you think any of these experiences can receive widespread implementation despite the special period?

[Castro] Well, some are less costly, require less investment. For example, we have the 42 turbogenerators which can produce a goodly amount. They are the equivalent of a number of... [rephrases] several units. I do not remember what the total capacity of the 42 is, but I think it is a few hundred thousand kilowatts, which can be produced during part of the year, a capacity... [changes thought] because that has 5,000 or 10,000... [changes thought] I do not know. I do not remember exactly right now, but there are 42 of them. It must be a couple of hundred thousand kilowatts. To be able to have those turbogenerators available is something that is attainable in the short term—turbogenerators I said should have been installed earlier. This was greatly speeded up since the last science and technology forum, at which I asked why, if we already had those 42 turbogenerators, we did not set them up as quickly as possible, if we already have here the most costly part, which is the hardware. The rest is only materials, to build certain things, and so forth. There is, of course, a certain amount of expense involved.

Hydroelectric solutions can also continue to be used, but solutions can also be found with the chaff, to use chaff at camps instead of using firewood, because for a consumption... [changes thought] I mean, the world's problem is that the consumption of wood for firewood is huge, and millions of hectares of forests are being lost every year. We have planted a great deal, but for lumber rather than for fuel. But we have work at planting forests to produce energy. However, we must also work at planting forests to use as fuel, and at using them as much as possible, making the best possible use of them.

However, if we also have the chaff... [changes thought] There is talk of millions of tons of chaff because we need the bagasse at the mills themselves. There may possibly be a surplus, if they emulsify the boiler well. Everything that was said here about improving the boilers... [changes thought] Well, it has already been stated that there are about 1,000 pieces of equipment for analyzing pressure. If they are going to build another 1,000, attaching all those pieces of equipment to the boilers, there will unquestionably be a savings in bagasse, and in fuel in general. Those are practical measures.

[Reporter] Replacing the boilers?

[Castro] To replace the boilers would indeed be very costly. What needs to be done is to handle the existing ones properly, and to do it with maximum efficiency.

[Reporter] However, the production of boilers is very low....

[Castro, interrupting] Well, it depends. But reproducing those boilers takes a goodly amount of metals. The cost is high. You have to calculate how much you need to invest to replace the boilers and how much oil with... [changes thought] and you have to make the investment wherever you will get results the quickest, and with the least expense.

One has to make many economic calculations in connection with that, but....

[Reporter] Commander, the fact that our legislature is already concerning itself with the environment, that plans are also already being made with regard to the environment, with a view to preserving it, to maintaining a certain ecological position, is significant.

[Castro] Yes, yes. Yes, that is important. I had not mentioned the emulsifiers before, but we need to expand their use. I mean these pieces of equipment for magnetism. I do not remember what the name of that equipment is, that equipment used in the boilers to prevent corrosion, to obtain greater efficiency. There are a series of practical measures that do not cost a lot of money.

Regarding the number of hydroelectric plants, we must see how much there is. They spoke of 100,000 [not further identified], but we need to see 100,000 plus what?... [changes thought] We have to see, especially, how much this costs in hard currency. In all these cases, the cost in hard currency must be compared with how much money the project saves.

The one that is very important is the Toa [River] project. We are already... [rephrases] We are going to begin work on the tunnels, begin construction, allotting a bit more time. If it is going to take four machines and you have one machine, that one machine could cost you 18 million [currency not specified]. Instead of having it work six hours, it will work 24. The ideal thing is to have four, for example, and to have all four working during the peak hours. However, if you have two, you set them to working 12 hours instead of 6, with the same water, and

start producing electricity. Therefore, we do not have to wait to have all four machines installed. So, then, what we have to do is foot the bill for fuel required by the trucks, and the tires, and the cement. Today, everything is convertible. I mean, if it is a matter of cement, how much fuel did you use on cement? This is why our oil production is so important.

One of the important things discussed were the efforts being made to increase our oil production, and there are already a number of cement factories running on our own oil, and a number of thermoelectric plants as well. That is, a great effort must be made in increasing the supply of conventional fuel by increasing the production of the oil wells, drilling new wells. That is something we can do only in partnership with foreign capital. There is no other way for us to do it. The alternative would be to leave the oil there forever, without being able to use it.

All these things are contained in the program, and a number of them—one of the most important being prospecting for oil, which is one of the most expensive—are being done by virtue of these agreements that we have made with foreign companies, because we ourselves do not have to invest a single cent. If anything, we might have to invest in, well, the trucks for transport, or ships for transport—a minimum. But we do not have to foot the bill for the main expense, because there exists in the world... [rephrases] The price of oil is so high that it pays off enough to undertake operations involving risk. Investors have already calculated their probable profits, and the probable risks. But oil is so profitable that it allows for effecting operations of that nature; and that is the kind of operation we are effecting without our having to make any investments.

The Toa [River] Thermoelectric Plant, however, we must build with our own resources, because we are not going to find anyone to give us a soft loan [prestamo blando]. Generally, such hydroelectric plants are built with soft loans, but who is going to give us a soft loan? Nobody but ourselves. Nevertheless, we are working on that hydroelectric plant, and that plant has a capacity of about 300,000 kilowatts. It is almost the equivalent of a nuclear plant.

[Reporter] So, we are not giving up on the nuclear plant?

[Castro] No, but for the time being, I really do not see any immediate possibility of pursuing it. For the time being, we cannot see even a glimmer of such a possibility. It would take quite a bit of time, too, for the first unit to be finished, and then the second.... [leaves thought unfinished]

Furthermore, there is political pressure against the nuclear plant. We need for those who are going to provide us with supplies to be in a position to be able to do so.

[Reporter] And be able to take the pressure.

[Castro] Even assuming they can take it [repeats] even assuming they take the pressure, we have to find a third partner. The nuclear plant would have to be built by three partners, but we cannot harbor any immediate hopes.

[Castro] The thermoelectric plant... [rephrases] hydroelectric plant would provide us with electricity more quickly, because the hydroelectric plant is practically the equivalent of one nuclear unit, but does not involve so much time. It would produce less electricity per year, but at the peak hours, it would produce almost as much as a nuclear unit.

Thus, that is... [changes thought] if we do it quickly, because....

[Reporter, interrupting] The most important part of the energy program will be efficiency?

[Castro] Well, let us hope it will be the oil.

[Reporter] Even more than Cuban oil?

[Castro] We hope it will be the oil. There also is solar and wind power, but we hope it will be the oil. There are prospects....

[Reporter, interrupting] [words indistinct] research.

[Castro] No, no, no! On the contrary, what we have done is open up the whole country to oil prospecting.

[Reporter] Commander, is the fact that we are planning our use and creating really strictly controlled, severely controlled indexes, also going to help in some way?

[Castro] Efficiency is one of the important reserves we have; and there is more... [rephrases] It is true that those reserves have been in use, because people have been making do with less and less and less, and increasingly using such things as ox teams, animal power, in general, for transportation, to prepare farmland, and so forth.

But in any case, certain activities, such as the sugarcane harvest, have to be carried out using fuel, because everything is designed so: the mechanized cutting, the collection center, all that is designed for working with machines. You cannot use ox teams for cutting cane and taking it to the collection centers, even if you had sufficient ox herds and all the personnel.

More than 300,000 workers are required to manually cut that sugarcane. This would cost more than the fuel needed to cut it by machine. Of course, the enterprises that have the fuel supplies guaranteed, waste more. They conserve less. In the same measure that the country gives them privileges because of the importance of their work, they worry less about using animal traction. That is why you see that in Havana Province they did not worry as much about using animal traction. We have had to pressure them a lot so they domesticate animals and train oxherds in Havana Province. Why? Because their fuel was guaranteed.

The sugar industry also has its fuel supply guaranteed, as well as the agriculture industry in general. In some regions they have it more than in others. Of course, the more privileged they are, the smaller the effort to conserve. When the need is greater, the effort to conserve resources is greater. In addition to all this, this year has been an infernal year. We could not imagine a worse year. At a certain point, fuel shortages also hurt the sugar harvest, as well as the lack of tires for wagons and tractors, and the lack of spare parts also hurt the sugar harvest.

Not being able to start up all the sugar mills on time also had an impact. There were dozens of sugar mills delayed during December and January, which were the driest months. Many of these sugar mills lost approximately two months. Even though there was some rainfall in January, the rainfall in February and March was tremendous. Besides the rain, in March we had the storm. From then on it rained continuously.

We had to cut the sugarcane in spring with less yield. More than 600 million arrobas of sugarcane were left uncut. Now we have to produce more sugarcane. We have to do what we can to cut it all. Last year was a great success. There was enough sugarcane and it was a better year and we were not affected as much by shortages as we were this year. This represents a \$500 million decrease in income. This is truly dire. It affected sugar production during the second semester. We had to stop and we had to break numerous sugar commitments. We had all types of problems. That is what I can say about the sugar since we also talked about the sugar harvest....

[Reporter] Commander, you spoke about conserving energy. There were some comments about residents saving energy in their homes. What could you tell us about this?

[Castro] I listened to the comrade attentively. I have not had time to think about practical measures because they are not so easy. It is not so easy to see a factory as producing by itself because its electricity is being supplied by the national system. There are some hospitals, but hospitals have generators. Not all the factories have generators and that is not something you can solve using generators.

Individual energy conservation: You have to realize that we try to prevent outages through the reduction of consumption. Outages were the last measures used when there was no other alternative. As you can see, the outages were applied not only because there were short supplies of fuel, but sometimes because the units were under maintenance, there was a lack of generating capacity. Individual energy conservation, when a light bulb is turned on, the people are ready to do everything they did not do when there was power [sentence as heard]. How do you, in the practice, implement individual conservation because the outages are the most burdensome thing. It is a practical problem to which I cannot give you an answer on how it would be possible to

increase individual conservation. What the comrade said is also true: 92 percent of households have reduced consumption, but there is eight percent that consumes more. Now, how do you separate, segregate that eight percent within the electric system? What measures could we implement to somehow penalize those who spend more? This is very difficult, although we can keep tabs: You are within the eight percent; you should consume only this much.

There are administrative measures. It is possible to implement certain measures. I am not saying it is impossible, but outages was not the formula we preferred. We preferred voluntary conservation, but the outages conspire against voluntary conservation.

[Reporter] Yet, the response has been very good; only eight percent is consuming more.

[Castro] The response of the people has been very good. What happened is that there was a reduction in the availability of fuel.

[Reporter] We also had to teach people to conserve and I believe this has been a very good time to do this because we were a bit wasteful.

[Castro] Wasteful! We were terribly wasteful! What she said is true. She was born in the era of abundance: 13 million tons of fuel. At the beginning, the Revolution used four million-plus tons. What the Revolution used at the beginning could be bought with half a million tons of sugar. This is why I say that the most serious phenomenon has been the explosive increase in fuel prices, which was achieved, disregarding the prices of all other products. Fuel prices increased exorbitantly and lowered all other prices. This happened after the Revolution. It happened in the seventies.

Why did it not affect us then? Because we had sliding prices with the USSR: As the price of oil increased, so did the price of sugar, which was already high. The terrible part is that the high prices continue, but we lost the sliding prices and the preferential prices that we had. That is the key. Otherwise, today, with 1 million tons of sugar, we would be able to buy the fuel needed to easily overcome the special period comfortably. With 8 million tons plus 1 million tons of domestic crude, that would be 9 million tons. That is only with 1 million tons of sugar. Think about what it means that today, unlike the first years of the Revolution, you have to pay for that oil with sugar at residual market price. It is the greatest misfortune, which has affected many other countries in the world as well. How can they progress? Some have to pay with cotton, coffee, and other products. Yes, we were progressing. We were supporting ourselves on trade with the socialist countries and the preferential prices.

But, since there were many resources, there was much waste. That is true. I recall that the sugar industry would consume 500,000 tons of fuel. Then it was later reduced to zero. Before, they used to let the oil flow and did not worry about using bagasse or anything else. It was easier

to open the fuel valve. We have had to do the sugar harvest with less than one-third the supplies or resources that were used in the past.

[Reporter] Commander, we are live, through Radio Rebelde and its national network. I want to take advantage of this opportunity to... [changes thought] You have spoken of objective realities, efforts, the will to resist, and prospects. I would like you to speak to us about this a little....

[Castro, interrupting] Our prospects are determined in direct proportion to our capacity to resist. Victory depends on this. If we resist, we will win. That is definite.

[Reporter] Commander, would consolidating the program for the development of the national energy resources put us in a position to overcome the special period?

[Castro] It depends on what level this consolidation reaches. If tomorrow, four or five million tons of oil were to show up here, it would expedite the end of the special period. But, it will be a long time before we overcome the special period. There are many things to do and others things that we need to develop. We have to continue developing our tourism industry. We have to continue our efforts in food production, which received its greatest blow by not having fertilizers, and fuel.

For example, the lack of fuel is affecting irrigation. This phenomenon takes place when we are expanding the use of irrigation systems on tens of thousands of hectares per year, drainage systems on plots of land, irrigation systems. We had built a factory capable of producing 1,000 Fregat irrigation machines. These would irrigate about 70,000 hectares per year. We were expanding the rice fields. We had to stop all that, drainage systems for plots of land and irrigation systems to be used in the sugar crop.

Many of the systems we already had also had to be stopped. We lacked the fuel to irrigate. We lacked fertilizers, which we have tried to partially solve through the use of biological means. But, that is not enough. We still have not found a bacteria that produces phosphorus or potassium. There are some that produce nitrogen, which we are now using.

Look at the example of the cooperative in Pinar del Rio. I asked them to test this. I told them: Plant black-eyed peas and you will have food. Besides having a food of very high quality and with 20-percent protein, you will have dozens of tons of organic material per hectare. It yielded even more. It is like a plague, like the marabu weed. Have you ever heard of a plague that affects the marabu? The black-eyed pea bean is just like that. In Havana, we have planted more than 70 caballerias, which is equivalent to almost 1,000 hectares. They are harvesting it now. If for some reason we cannot harvest it, we mobilize the people needed to pick the peas. We cannot let them go to waste. This has been going since last year.

Last year, we experimented with soy beans and other similar crops, a crop that helps a lot in a situation like this because it can be rotated with tobacco and other crops. During that season, the soil in the tobacco farms is not being used and it leaves nitrogen in the soil. Those are the resources that we were... [changes thought] We used to receive large quantities of animal feed; approximately 1.5 million tons of feed. This is what supported the egg and milk production. Furthermore, we receive food directly from the German Democratic Republic. We received approximately 25,000 tons of powdered milk from them, in trade for torula that was produced in our torula factory.

All this was abruptly lost. We lost the feed. Now our people are looking for other ways, such as the Voisin Rational Grazing System. They are adapting to new technologies that are already bearing fruit in some places. The microdairy farms are already solving problems in some places. The Voisin Rational Grazing System, the zacharina, the planting of legumes are just starting, but are progressing step by step. All this takes time.

What is the problem? The problem is that two thirds of our income has to be spent on fuel. This is a serious problem.

[Reporter] Commander, it is going to be a difficult semester, but you seem optimistic.

[Castro] I have to be optimistic. Things would be very bad if I were not optimistic. I know the situation is difficult. What I do not want is to give the impression that the task is easy. It is difficult. It is like fighting alone against the world. Cuba is fighting this battle alone. Solidarity has grown, possibilities of different types pop up, but Cuba is resisting the blockade alone.

[Castro] There are countries... [changes thought] The economic opening that we have made collides with the blockade. China, for example, does not have a blockade. They trade with the United States. One of their largest trade partners is the United States. We have to continue doing and applying all these measures in the situation of the blockade, in a situation in which you could say all the force of the empire is directed against us.

[Reporter] And without implementing any shock therapy.

[Castro] And without implementing any shock therapy. The shock is the problems we have, not as a therapy but as an epidemic. [laughter]

[Reporter] Commander, do you foresee any lifting of the embargo or actions that might....

[Castro, interrupting] It is better to not fantasize about that. It is better to be mentally prepared, without planning on the end of the blockade, but we have to increase our efforts in this regard. I do believe we are capable of a greater effort and our people are capable of a greater effort.

[Reporter] Commander, will the Iberoamerican Summit give Cuba an opportunity to improve Cuba's political position in the continent?

[Castro] The summits are a positive thing and something positive always comes from them, but we can expect much from the summit [as heard]. There have already been two summits. The summits represent progress for all Latin Americans. It is the first time that Latin American countries meet on their own. The summits represent certain initiatives being implemented, but they are far from resulting in immediate solutions to problems. Little progress is made on the main problem: integration. They are a good tool, but do not represent immediate solutions to problems.

[Reporter] Commander, you do believe the historic conflict between Cuba and the United States has relaxed somewhat?

[Castro] I do not think we can speak in such categorical terms. We could say that the level of hostility, hate, aggression seen in previous administrations is not observed now. There have been changes. The Torricelli Law itself was drafted by a Democrat with ties to the Cuban elements that favor the blockade. He did this for political reasons. The blockade is a web of things that are not easily changed. I believe the priorities of this administration are focused on domestic problems and Cuba, and lifting the blockade is not a priority. I have publicly stated my impression that this administration was elected by the most disadvantaged people, the poorest sectors, the sectors most encumbered—Hispanics, blacks, the elderly, unemployed youth, the majority of women, and retired people. All these sectors finally constituted a majority and gave this administration the victory. The most conservative, reactionary sector did not vote for this administration.

[Reporter] Do you believe it is very significant that the U.S. President did not invite representatives of the Cuban-American Foundation to the 20 May ceremony?

[Castro] I do not give too much importance to this type of thing because I believe that 20 May should not have been celebrated by them. Anyhow, this shows that these recalcitrant elements do not have the same influence as before, but they are very influential, particularly in the Congress. There is a very strong lobby in Washington promoting aggressive measures, the blockade, and attacks against Cuba. They seem to not have the same amount of influence as during other administrations. The U.S. Government has also made positive gestures such as declaring its opposition to pirate attacks and actions that were being conducted. They have not raised any obstacles to visits by U.S. scientists. I believe this is part of an ethic.

[Reporter] And the budget cuts to the enemy radio and television stations?

[Castro] Well, I believe there were certain budget cuts but you have to keep in mind that the United States also has a

great number of problems and it becomes absurd to waste money on that. It seems there are people who realized that money is being wasted. In the midst of strong debates on domestic problems, budgets, cuts, and the difficult economic situation, it is only natural for logical individuals to make an effort to halt waste. I believe that it would be wrong to harbor any hopes. We have to observe with cold blood and equanimity the development of events in the United States. You are aware of the strong pressures the most conservative sectors exert. [Reporter] For example, against the Pastors for Peace who are coming for the 26 July anniversary.

[Castro] I am not aware of any measures against Pastors for Peace. I have not read anything to that effect.

[Reporter] Yes, they have, because on this occasion friends of the Cuban Revolution are joining them.

[Castro] I do not know. I do not know what they will do regarding that, but they did not raise any obstacles to let some people bring certain donations. The flotilla was allowed to come and bring medical supplies.

[Reporter] What do you think of that budding solidarity of the American people?

[Castro] I see it is mainly in the scientific sphere. I have had the opportunity to meet the scientists who came to Cuba at the invitation of the Pan-American Health Organization [PAHO]. They are people with high skills and human quality. Of course, as doctors they do not support... [changes thought] The blockade has fewer and fewer supporters each day. Or we could also say: Those who oppose the blockade grow each day. The delegation that arrived today came on their own. Dr. Spock, an eminence in the United States, helped organized this group of outstanding ophthalmologists, specialists, and toxicologists. They also brought \$200,000 in medicine. This is a very positive attitude. The number of Americans who see that the blockade is unjustified is growing, especially since the end of the Cold War. It was never justified, but presently less than ever. I know many important Americans who are strongly opposed to the blockade.

[Reporter] Commander, despite all the defamation against Cuba, in the United States they are aware and speak of the possibility of getting closer to us, of getting to know everything. They see an opening in terms of the science sphere.

[Castro] There are many, a growing number of American businessmen, who are interested. They are upset by the fact that others can come and invest in Cuba and they cannot. There are all these factors and contradictions, but we should not fantasize that the blockade will disappear any time soon. It takes time. We would do better working, planning, and organizing our efforts with the blockade in mind. Of course, we have to improve our work and continue to use our minds. The last word has yet to be said. We have to continue thinking of different

formulas and solutions to uphold what is most important: our independence, the nation, and the Revolution. This is our most sacred duty. We are defending this under very difficult conditions. I do not know if any other country has ever had such a difficult task as ours. Has there ever been a people more deserving of this credit and honor? I do not think so. The values at risk are highly sacred.

[Reporter] Since we are so close to the Moncada anniversary, I think, and you are also probably convinced of this, that there will be no better homage for that group of youths who gave it all, than this effort, dignity, and commitment.

[Castro] Those of gave it then, and those who gave it later! We have to keep in mind that Moncada was the beginning of 40 years of struggle. We have to protect the values defended by many thousands of Cubans, not only those who fought against the tyranny, but those who have fought throughout these 40 years. They have the merit of having resisted the blockade and hostility of the most powerful nation in history for over 30 years. That is the reality. I believe our merit is that Cuba has written an extraordinary page of history. This page has to culminate in victory.

The obstacles are immense. I never try to underestimate the obstacles. I think it would be wrong to underestimate the obstacles. We cannot fantasize. We have to understand that only by our effort can we surpass this struggle.

Can you imagine anything more terrible than this epidemic. It is weird, strange, anomolous. It showed up almost... [changes thought] It was an unexpected thing. Cuban and international scientists are working on it. We have called on the international community to avoid the pitfall of believing that we could solve the problem alone. We have invited scientists and laboratories to help us, to work with us. This is of interest not only to Cuba, but to the whole world. There are situations among many other populations which are much worse than the situation in Cuba. Yet, this phenomenon has not been seen. This is why I believe the world and the Third World hopes we find the cause of this epidemic.

[Castro] Certain people have taken various attitudes regarding this epidemic, ranging from exaggeration to denial. Some have denied that there is an epidemic. Some have said we made it up. That was the last straw. A scientist, who came to Cuba twice, one of the ones who came with PAHO, told us this. I told him: I thought we had to find the causes and prove what they are. The farthest thing from my mind was having to prove that the epidemic is real. This is how far they reach in their hysteria and rage. This epidemic has taken a lot of time and work.

[Reporter] But progress is being made, Commander?

[Castro] Yes, unquestionably. Progress is being made in treatments as well as in preventive measures. Such a universal distribution of vitamins has never been conducted anywhere else.

Presently, only one third of the cases remain. The number has been dropping continuously in the last four weeks. I hope that the general distribution of the vitamin complex is having a great effect. Therapy also yields results, but we continue to follow up every case. One by one, from the first cases that appeared last year, to the latest ones. Each one has to be followed through. How are they doing? What different treatments have been successful? This is unquestionable.

In other words, we can feel pleased with the results of the treatments and also pleased with the reduction in the number of cases. However, it is very difficult to find the causes of this type of illness. Is it toxic? Where could these toxins be coming from? How many factors could be involved? Many asked about yams because yams are known for this, but it was found out that it was not the cause.

Every type of food, pesticides, and everything else has been studied. One of the scientists said that to find a toxin is almost like looking for a needle in a haystack. Viruses show up in some of the laboratory studies, but this has yet to be proven. It could be the result of contamination or something else, but it has to be proven. This is why we have sent samples to various laboratories. We still do not have the results because it takes at least two months.

We started an intense effort on 20 March. Before that time, we had not been told of the epidemic although a number of cases already existed. We should have started earlier. Every research center and human resource was assigned to this. Just to give an idea of the scope of the effort: I held eight long meetings in six days with the PAHO group that visited Cuba, which included scientists and a Nobel Prize recipient.

This epidemic has required a lot of time and effort. Every research center was put on trial. They have worked a great deal since the virus appeared, but its behavior is not virus-like at all. A number of things were found that contradict its being a virus: it is not contagious, nor transmittable. The types of reactions generally produced by viruses are not seen. This almost forces us to dismiss the idea of its being a virus. But nothing can be fully dismissed until all the research is completed. If it is a virus, it is very difficult to find a logical explanation, although it might appear in a laboratory test. If it is a toxin, a toxin has to be found. These are the two essential elements. It might be a nutritional toxin because in fact, there has been a drop in the level and quality of nutrition. However, it is not the same situation hundreds of millions of people in the world are used to, and they do not have these symptoms. This is why the presence of a toxin is suspected. The toxin theory is presently stronger than the viral theory. The viral theory should not be

dismissed, out of a sense of responsibility, because if you have a series of laboratories in other countries researching and testing, we have to wait for the results of all that research before we can say the final word. As a matter of scientific responsibility, one should not dismiss anything. Of course, there are always opinions but the immense majority of the scientists favors a nutritional toxin. Nutrition is considered, in the sense that once there is a weakening of detoxifying elements, then a toxin can have more effect within a specific nutritional condition than in another.

This also includes the other major contradiction. Many well-fed people have also had this illness. This is what brings up the nutritional toxin issue. What nutritional toxin? The illness was also highly linked to smoking in the first cases. Later, the number of smoking-linked cases dropped. First, it appeared in an optic form, and later as a peripheral vision illness. It has behaved in a truly strange manner.

[Reporter] Commander, what about the fact that it has not affected children?

[Castro] That is another of the phenomena. If it is viral, and viruses generally tend to affect children more, why has this not happened? Yet, this is good. A toxin could also do the same. There are millions of theories. There are some who believe that the polio vaccination campaign helps to protect the children, but they are theories. There have been all kind of contradictory theories.

[Reporter] Last week, I visited Camaguey and the number of women hospitalized is higher than men.

[Castro] That happens in peripheral vision cases. And another curious thing, pregnant women do not usually get it. It is a phenomenon. One cannot say the final word on this until all the scientific facts are in.

[Reporter] There is the weather theory. There are some theories regarding the storm of the century and its path.

[Castro] The weather theory. But the storm affected other places and we have been watchful to see if the symptoms appear anywhere else. There has also been a lot of hyperdiagnosis. Let us say that half of the diagnoses were wrong, the other half comprises a still very high number of cases. There are over 40,000 cases; that would make it over 20,000 throughout Cuba. There was also an active search, patients were sought out because the earlier the treatment starts, the better. There was hyperdiagnosis, an active search for cases, people were out looking for cases. Anyone who had a cold, achy bones, and tiredness was diagnosed as a case of neuritis. We say neuritis, but the forms are optic and peripheral, and some patients had both.

[Reporter] The fact of the Revolution's work itself; the research centers; 10 years ago we did not have the research center to handle such an epidemic; we did not have the interferon; the pill factories....

[Castro, interrupting] The pill factories, the capacity we have to produce pills. Do you know what 11 million pills a day is, and being given free to the population every day. We reduced costs by buying the raw materials. If you import this, the cost would be exorbitant.

[Reporter] Millions of pesos.

[Castro] Of course, we have spent millions on this. We are planning to continue the vitamin production indefinitely. Right now we have more than enough.

[Reporter] As a preventative measure.

[Castro] At the beginning, it was thought to give them to the people at risk, but the people at risk were not affected and the rest of the population were. And we set forth the idea of administering the preventative measure to the entire population. And not even 35 days had elapsed from the time we said this and the time we began distribution to the entire nation, thanks to the organization of the Committees for the Defense [of the Revolution, CDR], and to the Family Doctor Program, which is a tremendous institution. To fight an epidemic such as this one, it is not....[changes thought] Now, we are (?going) case by case. There is a group at the San Diego health resort—one of the first groups, one of those that had not improved much—that we followed, to see how it improved. We followed the evolution case by case, from the first cases to the last; and we have to continue doing this indefinitely, case by case. Certain cases that had not shown much improvement have improved with other treatments, and with sulphurous water. That could be in favor of the toxic element theory, if the disease is alleviated by certain elements in the sulphurous water.

We have kept a bunch of medical records, because all this... [rephrases] little was known about these diseases, in general, worldwide. The matter had been little studied. And every one of the scientists who would come here and who had some experience in something (?similar) thought that was what it was! If someone had discovered one in a particular place for a particular reason, he thought that was the cause; and if another had discovered another, he too thought that was the cause! [chuckle]

One has a tendency to apply one's own experience; and here too the toxicologists believed the cause lay in something toxic, while the nutritionists thought it was nutritional and the virologists believed it was due to a virus. Each person was inclined to seek the cause of all that within his own sphere. However, we should... [changes thought] Some of us have become experts on this neuritis business, because of the hundreds of hours of meetings we have had.

Even I myself have spent hundreds of hours on it, and I have talked to all the scientists who have come—all the toxicologists, and all the... [changes thought] because here, what... [rephrases] when it was learned that there was a first case here, we jumped on it; and when we learned about the dengue, we also jumped on it. But

unfortunately, there had already been a number of cases here, in Pinar del Rio, last year; and the epidemiological group was out there investigating on its own, and did not warn anyone that there were some illnesses that... [changes thought] That was already the second mistake—because when the hemorrhagic dengue appeared, we had... [rephrases] As regards the dengue, we suspect that it was an illness that was introduced into Cuba.

True, there were mosquitos. We had allowed the number of those (Aegis) mosquitos to increase. I mean, for that particular illness we do know the vector. But this time, there really was a considerable delay in alerting the government to the problem, and only when things became crucial, when specific resources begin to be requested, for medicines, were we made aware of the fact that a relatively high incidence of cases with this symptomatology was occurring.

We immediately set all the nation's scientific centers to work. All of them! Day and night! You guys cannot imagine how much our people have worked, and learned, and coordinated!

[Reporter] It's also work for the rest of mankind.

[Castro] [Yes.] We are working for the rest of the world, but we have asked it to help us. It would have been arrogance on our part to think ourselves capable of getting to the bottom of this all by ourselves.

We see symptoms here... [changes thought] [words indistinct] certain minimal exams for toxicity, because, well, there are highly developed toxicology centers in the world—more developed than ours. We may be stronger in certain spheres. We are pretty strong in biology, and in certain branches of medicine. We are not so strong in toxicology. That is... [rephrases] so we called... [rephrases] That is, there is nothing secret about this disease. The international scientific community knows what the truth is here, and we felt it was our duty toward the population to call everyone in, spare even a single patient, if we could!

Let them come. We called the WHO again... [changes thought] as many times as necessary... [rephrases] to have the world's best scientists come here. And many people have indeed come. I have met excellent people. There is a Swedish scientist wandering around out there somewhere who came here on his own vacation time. He and another one, for his entire vacation period. He brought equipment, reagents, everything. Know where he is? In Pinar del Rio! He said: I'm going out there to where it started. To study it all: the people's habits, what they eat, what they do! I have seen excellent people, and many of them, quite a few of them, have come on their own. And we have established very good relations with all those who have come. Relations of gratitude, because we are grateful for the effort they are making for the country.

Now, there is no country that could have attacked an epidemic the way we attacked it. All cases were hospitalized. Vitamins were distributed to the entire population. The best medicines available were applied, in all cases. Because what we were worried about is that it might leave sequelae on people's vision. The immense majority makes progress, notably, until 100 percent recovery. And some people do not make as much progress; nevertheless, we do not give up on a single case. We continue trying, and improving and improving.

And some of them took more months—because it takes months to recover totally! And that is why we follow the evolution of all cases, one by one, and we expect to not have a single case that does not recover. You talk about Sixto [not further identified]. Sixto is not suffering from this neuritis thing. Sixto is suffering from another illness, one called Guillain-Barre Syndrome [or, acute febrile polyneuritis] [guillambarretes]. That one, too, is fierce! Sixto spent two weeks on tubes, unconscious, because it is a paralysis that begins in the lower extremities, and there comes a moment when it stops your respiratory muscles. I mean, Sixto was pulled out of the grave! But, it took quite a treatment! And yet, the origins of that disease are not fully known. There are a number of illnesses in the world that are unknown, but they are scarce. Not a massive number of cases like this one, which is what most caught the scientists' attention.

[Castro] And since everyone has worked—at examining the soil, examining the encephalorachidic fluid, and examining this, that, and the other. Of course, since we distributed vitamins to everyone, we had to [words indistinct] about 1,000 to find what the condition was before they began taking the vitamins, because after you begin taking a certain treatment the whole population is under its influence. It makes it harder to find out what levels of certain vitamins they had. Another curious thing, we say nutritional toxin, but many people show normal levels of vitamins and everything else. However, vitamins are one of the best treatments. B-complex vitamins are very efficient in every nervous-system illness, regardless the origin, toxic or any other type. Vitamin B is efficient. This is why we did not hesitate at all. Vitamin B! How much it cost and all that. The first raw materials shipment came by plane, by plane. [repeats] This is costly. One ton by air cost thousands of dollars in addition to the cost of the item itself. We have here enough for six months. It has not been lacking even once.

Do you all take?

[Reporter] Yes, every morning. I never forget it, before leaving the house.

[Reporter] The news has been highly manipulated and has belittled the effort Cuba is making to overcome the epidemic.

[Castro] There has been a bit of everything. They have tried to take the utmost advantage of all this. But since we have evidence of plagues being introduced into Cuba, this is why we have to be very distrustful, because a

government does not have to be behind all these things. Even a single group could be responsible. That rabbit epidemic we have is extremely strange. Nowhere else in this hemisphere are there any rabbit epidemics. And the porcine fever was introduced into Cuba twice! It is logical for us to be very distrustful every time a new type of illness appears, extremely distrustful because we have evidence that certain illnesses were introduced into Cuba.

[Reporter] Commander, Do you remember the sugarcane (rolla) disease?

[Castro] The sugarcane (rolla), the tobacco, the coffee. There has been no crop here that has not been targeted. Well, try to reflect this as closely as possible. You are from radio?

[Reporter] Yes, we are live through Radio Rebelde.

[Castro] Do as you wish. Do as you wish. [repeats]

Castro Meets With Russian Vice Foreign Minister

FL0107185193 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jul 93

[Text] President Fidel Castro met with the Honorable Georgiy Mamedov, vice foreign minister of the Russian Federation, at the headquarters of the Council of State. Comrade Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers, and Fernando Remirez Estenoz, acting foreign minister of Cuba, attended the meeting.

Robaina Interviewed on Results of World Trip

FL0107201793 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jul 93

[Text] Foreign Minister Roberto Robaina Gonzalez returned last night after an extensive trip to Vienna, Beijing, Rome, and Geneva. We spoke to Robaina about his experiences during his visit to several provinces of the PRC, specifically on economic matters.

[Begin recording] China is already experienced in this type of thing. I believe we continue on the path of learning from that experience. Above all to study, to study (repeats), observe, and assimilate what we can assimilate that may have to do with our own characteristics. But we found great receptivity and a high level of information exchange, but above all, a sincerity and spirit of cooperation resulting from the fact that Cuba and China defend many similar principles upon the same stand. We reached a bilateral exchange at the central and provincial level where we achieved positive results. I think that not only the Ministry of Foreign Relations, but many organizations and the country have to evaluate this. Undoubtedly, every time there is a meeting with China we have many things to learn from its people and their experience. [end recording]

Radio Rebelde was also interested in Robaina's meeting with the secretary of the Vatican and a possible request from Cuba for the Pope to mediate between Havana and Washington. On this subject, Robaina said:

[Begin recording] My visit had nothing to do with an official invitation to the Pope. Our position has always been that when he decides to come he can come. It has nothing to do with what many were saying that we wanted the Vatican as a mediator between Cuba and the United States. That was [word indistinct] there. We maintained very sincere and frank contacts. But, I repeat, only part of those relations... [changes thought] We even informed them of what we have been doing and continue to do. Those were a highly intense 48 hours of which we took advantage to acquire the greatest amount of knowledge. We could not do without it. [end recording]

A news conference with Cuban Foreign Minister Roberto Robaina Gonzalez has been announced for today.

Roundup of Politburo Members' Activities 24 Jun to 1 Jul

FL0207025793

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 24 June and 1 July.

Radio Rebelde at 1932 GMT on 24 June reports that Jose Ramon Machado Ventura made the closing speech at the assessment meeting of the Communist Party of Cuba in San Luis Municipality, Pinar del Rio Province. Machado noted that with a decrease in sugar production, tobacco must be given all necessary attention because it is an important source of hard currency. The delegates sent Fidel Castro a letter in which they assure him that the province's 33,000 inhabitants will not fail the Revolution.

Radio Rebelde at 1935 GMT on 24 June reports that Esteban Lazo presided over the opening, at the Heredia Theater on 24 June, of the Santiago section of the 6th Congress of the National Public Administration Workers Union. Among the main topics discussed at the 24 June meeting were the need to increase efficiency in the fight against crime, to improve workers' living conditions, and to increase work discipline.

Radio Rebelde at 2300 GMT on 24 June reports that Alfredo Jordan, first secretary of the party in Las Tunas Province, participated in the national ceremony marking Transportation Workers Day, which was held in Las Tunas. Transportation Minister Senen Casas Regueiro also participated in the ceremony.

Radio Progreso at 1100 GMT on 28 June reports that Pedro Ross Leal is chairing a general meeting of the Secretariat of the Cuban Workers Federation to evaluate the energy program instruction process that is being

developed. Ross pointed out that the purpose of these meetings is to mobilize technicians, engineers, and workers to seek solutions and implement local initiatives. Jaime Crombet, vice president of the National Assembly of the People's Government, stressed the importance of developing the program and using alternate energy sources.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 1 July report that Candido Palmero is attending the military medics graduation at Guines Camp.

The same networks report that Havana is holding its sixth Provincial Public Administration Congress, at which Jorge Lezcano gave the closing speech.

Radio Rebelde at 1700 GMT on 1 July reports that Pedro Ross and Esteban Lazo Hernandez awarded the Neco Lopez award to several Santiago de Cuba workers.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 2 July report that Julian Rizo Alvarez, Pedro Ross Leal, and Esteban Lazo Hernandez presented 65 workers with Neco Lopez awards on Chemical, Mining, and Energy Sector Workers Day. Pedro Ross made a statement to Castro: You can count on us. russell/tg

New Paris-Havana Flight Begins on 2 Jul

FL0107204993 Havana Radio Reloj Network in Spanish 1930 GMT 1 Jul 93

[Text] A French airline's inaugural flight will be arriving tomorrow. The French airline (AON) will be inaugurating the flight that will henceforth link the cities of Paris and Havana every Friday. The flight is scheduled to land tomorrow night at Jose Marti International Airport carrying some 150 people, counting tourists, tour operators, and a dozen journalists.

With the inauguration of this flight, there will henceforth be two arrivals in Havana by the French airline, which will allow the French market to contribute 640 travelers per week, on Fridays and Sundays.

The increase in regular (?flights) to Cuba has recently become evident. Flights from Santiago de Chile and Curacao to Havana began at the beginning of the year, while the Venezuelan airline Aeropostal currently links Caracas with Santiago de Cuba.

Radio Revolucion on 60th Anniversary Introduces Stereo

FL0107195793 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jul 93

[Text] Today is the 60th anniversary of radio station (CMKC), Radio Revolucion, in Santiago de Cuba. Journalist Elvira Orozco comments on how the radio is doing, on this anniversary.

[Orozco] Precisely, (CMKC) is this afternoon inaugurating its first stereo studio, on FM—thereby of course improving the sound quality of its broadcasts, which are

an important source of information for the people of Santiago de Cuba. Despite the limitations imposed on us by the Special Period, we offer 19 hours of broadcasts, with very varied programming.

Inter-Caribbean Affairs

St. Christopher-Nevis Implements CET

FL0107231393 Bridgetown CANA in English 1950 GMT 1 Jul 93

[Text] Basseterre, St. Kitts, July 1, CANA—St. Kitts and Nevis will implement the revised Common External Tariff (CET) next Monday, trade and industry minister Roy Jones said Thursday. Jones said the CET was based on the harmonised commodity description and coding system. He added it would have a rate structure of zero to 30 percent, except for some primary agricultural products.

"Recognising the importance of agricultural production in the Caribbean Community, a special rate of 40 percent is to be applied in the tariff to a number of primary agricultural products," he said. He said in arriving at its decision to implement the revised tariff, government considered the effect that any upward movement in rates could have on the cost of living. As a result, a suspension of the CET rate was sought on a number of items in the tariff for which the rate of duty to be applied is lower than the CET rate.

An authoritative source told CANA plans to implement the measure from July 1 had to be postponed because copies of the new customs tariffs had not been received from the printers in time.

Addressing a businessmen's function earlier in the year, prime minister, Dr. Kennedy Simmonds, said government was satisfied it could take the step confidently after successfully negotiating concessions.

The Chamber of Industry and Commerce (CIC) has just ended a two-day workshop on the CET and its harmonised system of classification involving 50 persons.

The introduction of the tariff is expected to present specific problems to importers and their customs clearance staff, a chamber official said. The chamber official added the private sector organisation was preparing further material which would assist companies in the transition.

St. Lucia Also Implements CET

FL0107225493 Bridgetown CANA in English 1930 GMT 1 Jul 93

[Text] Castries, St. Lucia, July 1, CANA—St. Lucia has announced its implementation of the Caribbean Common External Tariff (CET) from Thursday.

Caricom Affairs Minister George Mallet in a letter to the St. Lucia Chamber of Commerce, Industry, and Agriculture on Wednesday said the decision to implement the CET was in keeping with a decision of Caricom leaders last year. The CET provides a unified tax structure against third-country imports.

The chamber had earlier this month written the government asking that a date for its implementation to be announced.

House Approves Caricom Parliamentary Assembly

FL0107220093 Bridgetown CANA in English 1818
GMT 1 Jul 93

[Text] Kingston, Jamaica, July 1, CANA—Jamaica's House of Representatives gave approval Wednesday to the setting up of an assembly of Caribbean Community (Caricom) parliamentarians.

Foreign minister Dr. Paul Robertson, piloting the resolution, said the regional assembly would provide an opportunity for wider participation by Caricom parliamentarians in the integration process. He said a "deliberative body" such as the regional assembly could have "tremendous value" in the development of joint strategies in response to issues such as the proposed North American Free Trade Agreement (NAFTA) and the current dispute involving Caribbean banana producing countries and their Central American competitors over the sale of bananas to Europe.

The resolution was passed by government members of the House in the absence of the parliamentary opposition Jamaica Labour Party (JLP) which is boycotting parliament to press its demand for rapid reform of the electoral system and the police force. The JLP has consistently opposed the Caricom assembly, with leader Edward Seaga describing it as a "backdoor" to another attempt at a regional federation.

Several Caricom nations have already approved the regional assembly, and Robertson told the House the first meeting was expected to be held this month in Nassau, The Bahamas, as part of activities marking the 20th anniversary of the creation of Caricom.

Haiti

Caputo Announces Agreements Reached on Several Points

FL0107165093 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Jul 93

[Excerpts] Dante Caputo, international mediator for the Haitian crisis, announced on 30 June that agreements were reached on several of the essential elements for the restoration of democracy in Haiti. Caputo refused to provide further details, but announced that he would immediately hold separate meetings with President Jean-Bertrand Aristide, who was deposed in September

1991, and with the chief of the military regime, General Raoul Cedras, on Governors Island in New York where the talks on Haiti have been taking place since 27 June. Diplomatic sources pointed out that the negotiations might be concluded on 30 June with a principle agreement and a commitment to resume them very soon, maybe as early as tomorrow. Caputo stated: I have hope; it seems to me that we have obtained some of the essential elements. He considers that much will depend on the constitutional government and the military to conclude these agreements. [passage omitted]

Until now, the talks have focused on the conditions to keep Gen. Cedras uninvolved in the reinstatement, to restore Father Aristide, and to support him in power. According to diplomats present on Governors Island, the resignation of the entire high command of the Haitian Army is allegedly no longer required by President Aristide provided that he can appoint—without restrictions—the officer who will apparently replace Mr. Cedras. According to those sources, the new Army chief could then restructure the high command in accordance with the military rules of seniority and hierarchy. [passage omitted]

During the morning of 30 June, Caputo looked satisfied for the first time since 27 June. For the first time as well, he replied to journalists who had been kept about 30 meters away from the entrance of the red-brick building housing the two Haitian delegations. [passage omitted]

Caputo, a former Argentine foreign affairs minister, pointed out that he considered yesterday as a very important day, but refused to confirm that it would be the last day of this round of negotiations. He added: I am going to meet with the two parties and will present them with concrete proposals. I will keep you informed.

The following is a report on the negotiations on Governors Island by our colleague Anne-Marie Issa from the United States.

[Begin Issa recording] [Passage omitted] On 27 June, Gen. Raoul Cedras stated during a news conference that by acting jointly, he and Aristide could ensure the future of the country. In the meantime, Jean Casimir, Aristide's representative pointed out that the president would meet with the general only if an agreement is reached and a final agreement is ready to be signed. He added that Aristide's partisans perceive the meeting as a celebration, but so far they have nothing to celebrate.

According to a source close to the talks, the general allegedly asked to participate also in the choice of the prime minister, which is not well thought of by those diplomats, who think this would afterwards give too much power to the general no matter what choice is made. Caputo continues to meet with both parties, trying to find a method for a possible meeting between the president and the general. However, according to some diplomats, the situation remains complex because in their opinion both President Aristide and Gen. Cedras have too many people advising them. Meanwhile, Haitians here are very worried. [passage omitted] [end recording]

Deputy Joseph Serds Warning to International Community

FL0107211093 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Jul 93

[Excerpts] Deputy Antoine Joseph, president of the office of the Alliance for Parliamentary Cohesion bloc, condemns the attempt by the international community, which he says wants to appoint a prime minister without the backing of parliament. Antoine Joseph says that General Cedras is not entitled to negotiate on politics, but only to defend the interest of the Army. Let us listen to Antoine Joseph at the microphone of Daly Valet.

[Begin recording, in Creole] First, I must tell you that Gen. Cedras does not have a mandate to tackle political issues. Gen. Cedras has been mandated to discuss with Aristide security issues for Aristide's return, to discuss institutional problems such as the separation of the police and Army, and all issues concerning the military institution. But I find it amazing to see them tackle these political issues. I have faith in the general; I do not think he will append his signature to such adventures [as heard], or that he will make such commitments. [passage omitted]

We are addressing a warning to Dante Caputo and the international community not to venture onto this path. It says it wants the return to constitutional order. The appointment of a prime minister without the consent or backing of the parliament, without the parliament's ratification of that prime minister, and without the parliament's further ratification of that prime minister's statement of policy, is a solution that I believe will violate the Constitution. It is a solution that will not be in keeping with what is called return to constitutional order. [passage omitted]

I am certain that a particular idea is being debated within the international community. [I hope] you will let me send a message to the lavalas sector to warn it because there is something taking shape there. What is taking shape is that the parliament looks awkward, first because it is divided, but also because of certain aims of the international community.

Remember the statement by President Clinton that he regrets the two forces in existence do not accept multinational force. This means he cares a great deal about this idea. No multinational force can enter the country if President Aristide does not sign his approval. If he does sign, he must submit it to parliament for ratification. Personally, I can almost assure you that the parliament will not lean in this direction, toward approval of a multinational force in Haiti. So, if you will, this plan is now being set up to see if parliament can be marginalized on the pretext of parliament's division. [end recording]

Mission Issues Communique on Rights Abuses in Gonaives

FL0107204793 Port-au-Prince Radio Metropole in French 1600 GMT 1 Jul 93

[Text] The civilian mission in Haiti today expressed its concerns about violations of people's rights to expression and security as well as intimidation of the population by members of the Armed Forces in Gonaives.

The mission explains in a communique that during the last week in June, there were several cases of arrest followed by beatings and intimidation by members of the Armed Forces in Gonaives. These attacks, according to the mission, constitute violations of the rights of expression and association. The mission denounces the Army's violent dispersion of an attempted demonstration of support for President Aristide, in the slum neighborhood of Raboteau in Gonaives, on 22 and 23 June. According to the mission, on 25 June, the Army also prohibited a gathering in another slum neighborhood, severely beating a person at the site of the projected demonstration.

The mission's communique also denounces searches conducted in certain neighborhoods of Gonaives, in which members of people's organizations are apparently being sought, and the plundering of the houses of two people's organization leaders.

The mission asks that the Armed Forces respect the integrity and safety of citizens, especially those who attempt to exercise their right of expression and association, a right that, according to the mission, is recognized by the Haitian Constitution.

Serra Says NAFTA Parallel Negotiations To Continue

PA0107191093 Mexico City Canal 13 Television Azteca Network in Spanish 0300 GMT 1 Jul 93

[Statement by Jaime Serra Puche, secretary of commerce and industrial development, in Mexico City; date not given—recorded]

[Text] I wish to inform you that the ruling by a U.S. judge regarding the North American Free Trade Agreement [NAFTA] is an internal affair of the United States, an affair between the Judicial and Executive Branches of the United States.

The U.S. Government advised me the Clinton administration will appeal that ruling through the Justice Department. The appeal will be made because, according to the U.S. Government, that ruling would be tantamount to banning the U.S. Government from engaging in any sort of international negotiations, not only those pertaining to NAFTA or the Uruguay round, but to any other negotiation.

Moreover, U.S. authorities said publicly—and they assured me of this on the telephone hours ago—that this ruling will not affect U.S. negotiation of NAFTA parallel agreements. These negotiations will continue at the same pace, without interruptions, as has been the case so far.

The timetable for the negotiations—as the three countries had agreed on and planned—is being strictly complied with. This morning [date not specified] [U.S. Trade Representative] Ambassador Mickey Kantor and Canadian Minister [of international trade] Tom Hockin, who was here to visit me, and I agreed to engage in the weeks to come in an intense process of negotiations on parallel issues to settle the few issues that are pending. As the negotiations develop, we will keep the public informed as we have done on daily basis for the past few weeks.

There is no delay; we have complied with the timetable as scheduled. The negotiation process will not be interrupted. This morning the three governments agreed to intensify the process in the upcoming weeks to conclude the discussion of pending issues.

Thus, you can see clearly we are on schedule to achieve the goal of the three governments. We want NAFTA to take effect on 1 January 1994.

Canadian Trade Minister Comments on NAFTA Ruling

PA0207042693 Mexico City XHTV Television Network in Spanish 0200 GMT 1 Jul 93

[Text] Tom Hockin, the Canadian international trade minister who is visiting Mexico, made reference to the U.S. federal judge's ruling on the North American Free Trade Agreement [NAFTA]. Recently appointed International Trade Minister Tom Hockin from Canada pointed out that the U.S. federal judge's ruling that conditions the sending to Congress of NAFTA for its approval is not a major problem. The Canadian official who was interviewed after meeting with Jaime Serra Puche, Mexican commerce and industrial development minister, reiterated his government's intention to implement the trade agreement in January 1994. Here is what Trade Minister Tom Hockin said:

[Begin Hockin recording in English with superimposed Spanish translation] I would say that this is not a major problem, but exactly what will happen will be seen in a few days. We are all trying to get the NAFTA passed this year. Different politicians have different points of view: How will this turn out? What effects will the judge's ruling have? Frankly, I am personally optimistic, I have always been optimistic that the NAFTA will conclude well and quickly as President Clinton wants this to pass before 1 January. [end recording]

Minister Hockin underlined his government's interest in concluding the negotiations on the treaty's complementary agreements on environmental and labor issues as soon as possible.

[Begin Hockin recording] I am here because I am the new Canadian international trade minister and during my first two days in office I want to meet with two countries: with the U.S. and Mexican trade representatives, given that the NAFTA is very important for me and for my government. There are no changes between the new Canadian prime minister and the former government and between Mike Wilson and me on the NAFTA issue. I want to foster the process so that it continues. I have come here for the NAFTA to succeed. [end recording]

Belize

Elections Conclude Without Incidents

PA0107030393 Panama City ACAN in Spanish 0122 GMT 1 Jul 93

[Excerpts] San Jose, 30 Jun (ACAN-EFE)—The general elections in Belize concluded on 30 June at 1900 local time (0100 GMT Thursday) after a day without any incidents although from the opposition party there were charges of possible fraud in the process.

The only information on voter turnout was provided unofficially. This indicated a 40-percent abstention rate by the 100,000 voters called to the polls that were opened at 0700 local time (1300 GMT). According to political party spokesmen, the percentage of voters was around 60 percent, that is, over 10 percent below those registered during the 1981 and 1985 elections.

The elections were only tarnished by accusations made by the United Democratic Party (UDP), led by Manuel Esquivel. The UDP made these charges against the People's United Party, led by current Prime Minister George Price whom they accuse of allowing Central American immigrants to participate in the elections.

In spite of the allegations of fraud, Antonio Gonzalez, president of the Commission for the Defense of Human Rights in Belize, told ACAN-EFE, "there are doubts, but no evidence has been presented." [passage omitted on background material]

This election campaign has been the most aggressive in the nation's recent history given the charges made by opposition leader Manuel Esquivel. Esquivel accused Price of fraud and of badly managing foreign relations, particularly with Guatemala with which it established diplomatic relations in 1991.

The first official results of the election will not be known until after midnight.

UDP Esquivel Defeats Price

FL0107140593 Bridgetown CANA in English 1335 GMT 1 Jul 93

[Text] Belize City, Belize, July 1, CANA—The opposition United Democratic Party (UDP) narrowly defeated Prime Minister George Price's People's United Party (PUP) in general elections in Belize on Wednesday. Provisional results up to 1300 hours GMT Thursday (0700 local time) gave the UDP 15 of the 29 parliamentary seats, with 13 going to the PUP. A recount was underway in the final constituency where the first count had given victory to the UDP. In the old 28-seat Parliament, the PUP had held 17 seats, to the UDP's 11.

UDP leader Manuel Esquivel, who served as prime minister during the party's first term in government from 1984-1989, thanked Belizeans in a brief statement over Radio Belize for electing the UDP. Outgoing Prime

Minister Price, who called the election one year before the government's mandate was due to expire, was not immediately available for comment.

Analysts here had accurately predicted the narrowness of the outcome after a campaign dominated by opposition charges of corruption against the government. The poll was a gamble Price took. After the PUP won a by-election last January and a landslide in April local government elections, Price apparently miscalculated the opposition's strength which got a boost during the campaign when former dissidents who had broken away and formed a splinter group, rejoined the camp.

During the campaign, Esquivel, 53, proposed free education from primary school to university level, income tax concessions, and suspension of a Maritime Areas Act granting Guatemala access to the Atlantic Ocean through Belizean territory. Esquivel's party accused the government of economic mismanagement, illegally giving several hundred Guatemalan and Honduran immigrants Belizean citizenship and voting rights in a bid to win the poll, and of making too great concessions to neighbouring Guatemala, which has had a long-standing territorial claim to Belize.

Price, seeking his third mandate since taking Belize to independence from Britain in 1981, rejected charges of government corruption as baseless. Both Price and UDP leader Manuel Esquivel won their seats. Price, 74, defeated lawyer Wilfred Elrington by 740 votes to 659 in his Pickstock (Belize City) constituency. Esquivel took the Caribbean Shores Seat, with a narrow win over accountant Jose Coye who picked up 1,275 votes to Esquivel's 1,315. The poll was marked by some close results.

El Salvador

Cristiani Speaks at Change of Command Ceremony

PA0107205693 San Salvador Radio Cadena Cuscatlan in Spanish 1752 GMT 1 Jul 93

[Speech by President Alfredo Cristiani at change of command ceremony at Military Doctrine and Education Command headquarters in San Salvador—live]

[Text] Mr. President of the Honorable Legislative Assembly, Messrs. Deputies, Mr. President of the Honorable Supreme Court of Justice and Messrs. Magistrates, Mr. Vice President of the Republic, most excellent Messrs. Ambassadors and Honorable Heads of Diplomatic Missions accredited in the country, Messrs. members of the government cabinet, Messrs. members of the Armed Forces High Command, Messrs. generals, superior officers, subofficers, cadets, noncommissioned officers, soldiers, and administrative personnel, Messrs. representatives of international organizations, Mr. Military Chaplain of the Armed Forces High Command, Messrs. military attaches of friendly countries, Messrs. special guests, and dear friends:

The 1 July 1993 ceremony has a profound meaning for the country's institutional process, which has been under way since the peace agreement was signed. We are participating in a change of command ceremony that is also an act of renewal and continuity, a sequence of actions [fenomenos] framed by three main concepts with the same goals: pacification, democratization, and modernization.

Our democracy was not born with the peace agreement. That agreement was actually an extraordinarily important result of the progress and maturity of the country's democratization process, which was started convincingly with the crucial constituent elections of 1982.

Salvadoran democracy was born amid bullets and ruins but it was supported by the stoic determination and sacrifices of an entire people. The homage paid them by present and future generations will always be insufficient.

The people were not alone. They were accompanied by a standing Armed Forces that made all the necessary efforts and sacrifices to further the historic effort to survive and achieve institutional development. In the end they brought us to this peace that we are all still building with difficulties but also with hope and determination.

All Salvadorans, each in his own manner, are participants and witnesses of this enormous transformation in all areas of national life, which began with peace. The Armed Forces occupy an important place among Salvadorans and are loved by them. The Armed Forces' contributions to the process are invaluable because they not only involved continuous sacrifices during the war but a commendable spirit of internal modernization for the sake of achieving a stable and peaceful future for the country.

The Armed Forces, as our Constitution states, is a permanent institution at the nation's service. It is not a simple state institution with legal powers, but an institution with deep historical roots and a patriotic mission. That mission was carried out unselfishly and with a high sense of service during the conflict. Its mission will continue to be carried out with the honor that characterizes the men in uniform who respect the law and hierarchy and are servants of their people.

For our part, from the general command, which we occupy by constitutional mandate, we will continue to offer firm support for the Armed Forces' continuous professionalization, modernization, and development to ensure that it complies fully with the institution's role in our democratic process of safeguarding our sovereignty, territorial integrity, and institutional stability.

This is a very important day when a typical change of command is taking place. Four officers completed their tenures within the institution and will retire after fulfilling very important national responsibilities meritoriously, efficiently, and loyally. We wish to express our

recognition and gratitude. We developed a fondness for each other during a very difficult period.

Other officers who are equally qualified and dignified will assume the responsibilities. We know them well; we assessed their backgrounds and know they will also fulfill their duties with honor and dignity. We say to all of them: The Armed Forces is a great and noble institution. Performing military service well is a soldier's greatest reward. I hope God blesses you all. I hope God helps us ever day to build the country our forefathers dreamed about. May God bless El Salvador. Thank you very much. [applause]

Gen Ponce Gives Farewell Speech

PA0107230393 San Salvador Radio Cadena Cuscatlan
in Spanish 1657 GMT 1 Jul 93

[Speech by outgoing Defense Minister General Rene Emilio Ponce during the change of command ceremony at the Military Doctrine and Education Command headquarters in San Salvador—live]

[Text] Mr. Alfredo Cristiani, president and commander general of the Armed Forces; Mrs. Cristiani; Mr. President of the Legislative Assembly; Messrs. Deputies; Chief Justice and Justices; Your Excellencies Messrs. Ambassadors and members of the consular corps; Cabinet Members; ladies and gentlemen; special guests; top command colleagues; senior and junior officers; non-commissioned officers and enlisted men; the band; and Armed Forces administrative personnel:

More than 30 years ago a group of young men filled with dreams, attracted by a military career and the prestige of the Salvadoran Armed Forces, enrolled in our alma mater, the Captain General Gerardo Barrios Military Academy. We had the firm purpose of graduating as sublieutenants of our armed institution and were confident we could contribute to the security of our country. We came from humble families, but we had the moral values we were taught at home and the education we received in the secondary schools from which we graduated. We professed the Christian faith. Our friends, as youthful as we were, encouraged us, and our parents gave us all their love and support. Most of all, we came filled with enthusiasm and the idealism of youth. We were convinced that the fatherland needed us to defend freedom heroically while respecting the freedom of others. The military academy taught us that we must respect and enforce the laws because they represent the nation's will. Nobody can infringe upon the laws, avoid obeying them, or rebel against them. In other words, we must strictly abide by the laws, and not just when it suits us. We must abide by them in everything that has been institutionalized, even if it goes against our own will, because justice and freedom would not be possible in our Republic if exceptions were made.

Our superiors shaped us and our character as men of goodwill with these values. They taught us that honor is the most important of all military virtues. We were told:

You must always act with honor and defend it when it has been violated. We were given examples like Captain Dreyfus in the French Army. He was unfairly accused and condemned for a crime he did not commit. While in prison he once said: I do not want freedom without honor. Honor has been the characteristic of the military personnel who make up the Armed Forces of the Western world—both European and American—and other democratic countries in general. We teach our subordinates at every level of command the meaning of honor just as we learned it from our superiors in the past.

In my last words as national defense minister, I tell my comrades in arms, rank and current situation notwithstanding, that the evolution of citizens as part of the state determines the role played by the soldiers as the foundation and main factor of a nation's military system; as a basic principle with the necessary strength to win; as a source of life crowned with the laurels of an entire social system. The soldier is a tactical, abstract coefficient of man [coefficiente tactico abstracto del hombre] who represents an entire life devoted to his community and fatherland.

Ladies and gentlemen, in our military life we took an oath and made a pledge that sums up the basic philosophy of our commitment to our fatherland. We took an oath when we became cadets, and we made a pledge when we were promoted to sublieutenants. On both occasions we committed ourselves to fight for our nation, defend our national flag as the sacred symbol of our fatherland, serve the government of the Republic, and obey our superiors with our lives if necessary. Order and liberty, our home and family, our treasures and wealth, and the people's properties are entrusted to the soldier, who commits himself to defend them with his life if necessary. Soldiers serve their homeland with weapons as other men serve with their tools or merely with the strength of their intelligence.

The portion of the oath that deals with territorial integrity speaks of the state's sovereignty. Protecting the territory and sovereignty have been and still are the basic missions of this important state institution: the Armed Forces.

When the Republic was born, the institution's role was to back the pro-independence initiatives of the nationalist sectors that existed when this country was still a Spanish colony. We may say that a mission was born with the Armed Forces or that the Armed Forces was born with a mission.

Our national flag, the sacred symbol of the fatherland, is a material representation of the values of our struggle for liberty. When we swear to defend our flag, we take on the commitment of safeguarding the republican, democratic, and representative system chosen by our forefathers in 1821. The Armed Forces has had to honor that oath many times. Soldiers, because of what they represent and who they are, are necessary to the nation.

Having an organized state and a government system, the military oath to serve the government involves the principle of military obedience to the legally constituted political power. The Latin American republics, which are marching on the road of institutionality, have occasionally required a contribution from the Armed Forces to the maturity process.

As time goes by, the rules of military subordination to political power will become clearly defined. I can tell you that we military people clearly understand the modern constitutional principles and postulates on this matter; principles and postulates that, as I said before, have been part of our military philosophy since the foundation of Arce's army. Our oath as officers involves the state branches because in the end, we owe our obedience to the state, a legally organized society.

Finally, we swore to defend the superior...[rephrases] we swore to obey the superior who orders us, even at the expense of our lives. I think it is advisable to point out that I am not referring to blind and irrational obedience because Army regulations contain numerous provisions stating clearly that subordinates are obliged to obey only legal orders and when a superior thinks compliance of any order could bring about consequences to his subordinate, he must issue such orders in writing to assume responsibility. Furthermore, the same provisions state that the superior must be fair and moderate in dealing with his subordinates and that discipline will be exercised in strict yet paternal and protective manner.

Of course, all that I have just mentioned must be exercised without undermining the service and must fulfill what we military personnel call hierarchy, obedience, and discipline. Neither the government nor the laws can require duties that exceed the moral limit of all Salvadorans.

That, ladies and gentlemen, is the philosophy with which we, the military personnel of all epochs and throughout the existence of our glorious Armed Forces, have grown. Of course we have done so without neglecting the continuous advancement of our personal knowledge and the constant modernization of the armed institution so it may properly fulfill its mission. We have made our mark on our fatherland's history. As has been proven over these last few years of conflict, the mission was accomplished by preventing forces that until recently acted outside the law from taking political power with weapons, which was their ambition.

In the defense of state institutions, democracy, and the freedom of our fatherland that was threatened by the communist aggression, the Armed Forces planned, organized, and executed the most successful military counter-subversive campaign of contemporary times. It was done at the expense of the lives of many courageous soldiers and many sacrifices and deprivations on the part of members of the armed institution and their relatives.

This epoch is similar to that of our forefathers who defended the sovereignty of the Salvadoran state. The

courage, professionalism, heroism, and patriotism of our soldiers were tried during this military campaign, which ended on 31 January 1992 with the report that Gen. Gilberto Rubio Rubio, chief of the Armed Forces Joint Staff, delivered to the nation. That campaign marks a turning point in our history as it forced the unpatriotic people to desist in their armed struggle and surrender and destroy part of their weapons. However, they kept important weapon reserves with which they could continue their warlike adventure. We the military warned of it in a timely manner because we knew our enemy. In the end their scam was discovered, and they have been forced to resume the destruction of their weapons.

Although we knew that the adversary was making a mockery of the nation, the government, the United Nations, and the international community, and that the danger had not disappeared, the Armed Forces continued complying with the political commitments acquired by our government because we are an obedient, disciplined, and nondeliberative institution.

We submitted with good will to a drastic reduction of over 50 percent of our troops, to the dissolution of our immediate reaction battalions, to the dissolution of the public security corps and of the paramilitary forces, to an ill-intentioned ad hoc commission for a so-called purge; to a prejudiced, unfair, and biased Truth Commission; to the separation of the public security corps from our organization; to the redefinition of our constitutional mission; to a new doctrine and educational system which is directed by a pluralist academic council selected by the political sector, and which is unique in the world within a military institution.

We have made so many institutional sacrifices in this transition period that we hope our people will value, in its true dimensions, the quota we contributed as fighting soldiers during the conflict and the quota we are contributing as patriotic soldiers in the current period, all this to attain the reconciliation and the reunification of the Salvadoran family as the essential basis for the consolidation of the peace for which we all long.

We have had the honor and the great responsibility of directing the Armed Forces during the armed conflict and, in this transition period, to peace. We have done so with much dedication and love for the fatherland, always thinking that our children, that the present and future generations of fellow countrymen, may have a better future, that they may enjoy an atmosphere of peace and economic development, and that they may live in freedom and in a more fair society. However, I wish to reiterate that we would not have attained this objective without the will and conviction of chiefs, officers, and soldiers who, setting personal interests aside, set off on a struggle for a just cause for the benefit of all Salvadorans.

Now, let us reflect for a moment. Did the FMLN [Farabundo Marti National Liberation Front] attain their objectives as the Marxists in Managua and Cuba—

for example—did? Has a communist system been established in the country? Were the Armed Forces defeated militarily to change our democratic, republican, and representative system? The answer to these questions is no. Thus, we can assert that the violent left wing realized that the world has changed and has, therefore, had to integrate itself into our political system, which we defended with our sweat and blood because, as the soldiers we are, we could not play along with the oppressor to be, instead of sentinels of freedom, jailers for the tyrant, and instead of soldiers we would be henchmen.

Out of love for the fatherland, for Our Father, and our Holy Mother we rejected this infamy! Due to the foregoing, I believe that, had it not been for the sacrifices made by the Armed Forces, we Salvadorans would not be now consolidating the peace for which we all long.

For the benefit of national reconciliation, I deem it timely to reiterate to the Salvadoran people that their Armed Forces are confronting the challenges and obstacles with responsibility, seriousness, and professionalism. This occasion is a precise example of this. We are convinced that there has been enough debates, discrepancies, and confrontations in the past. What is important now for all Salvadorans is to turn our eyes to the future which can unite us more and thereby achieve the El Salvador of which we all have dreamed. In this phase we are all players, there is no room for spectators. A nation without ideals is doomed. Nevertheless, for a successful leadership, we need true patriotic leaders who will steer us to a safe port. As an example I will quote: When the curtain goes down in a dramatic play, the spectators go home to resume their normal lives. When the curtain goes down on the career of a leader, the public's life has changed, and the course of the nation may have been significantly changed. This is why never again should Salvadorans wait for others to do what we should do ourselves.

Mr. President, ladies and gentlemen: We have honored our soldier's oath, but given that violent subversion has characterized these times, we have had to make a greater display of our virtues to avert destabilization or collapse of the state. At the same time, we have contributed to the strengthening of democratic process. In my opinion the progress and maturity of a democratic process cannot be gauged only by free and fair elections. There is also the need to make a firm commitment not to play with hidden weapons that will not serve to strengthen democracy but rather destroy it. Street demonstrations that hurt people and property; political strikes using labor as a justification; illegal takeovers of land ignoring the right to private property; slanderous lies that are expressed with total impunity, are not attitudes that contribute to the strengthening of the democratic process. Much less do these contribute to the reconciliation of the Salvadoran family that should be treated with due respect.

By contributing significantly to the democratic process, making an effort to achieve the nation's reconciliation,

and working to consolidate the level of peace obtained, we will be in better condition to respect mankind's fundamental rights—not only in the promotion stage but also in its defense. Given the importance of this issue, the Armed Forces have their own human rights office.

In this office's work report—under my charge up until today—presented to the honorable Legislative Assembly, the Armed Forces' actions are set out in a more detailed form in those fields and in others such as those that benefit the society through literacy campaigns, health programs, and minor public works, conservation and improvement of the environment, as well as others.

Allow me, Mr. President, ladies and gentlemen, to take up some of your time to make reference to the Armed Forces' more specific matters in the field of institutional strengthening. In this regard I can assure that all of us who make up the Armed Forces are aware of the scope of the 1983 constitutional reforms, particularly those that make reference to the Armed Forces, ratified by the Legislative Assembly on 30 January 1992.

Two of the most important reforms are those that establish a new ruling on the Armed Forces' constitutional mission and that separate the national defense duties from those that specifically belong to public security. We must admit that both reforms give rise to a new Armed Forces doctrine. This doctrine has already been prepared and approved, and it meets the need of maintaining the Armed Forces in the best qualitative and quantitative conditions. This is needed in order to guarantee the defense and protection of the important tasks that have been entrusted to us, both in matters of state as well as in the reestablishment of the disrupted domestic peace, when the president of the Republic so deems it necessary. Likewise, it is needed to meet the social needs of the civilian population and to help them in the event of natural disasters or public upheaval.

The new doctrine calls for redefining the military education system, seeking not only an overall improvement of all the elements that make up the Armed Forces, but also maintaining a systemization of knowledge throughout the entire career. The Armed Forces must have highly trained members to carry out military tasks. At the same time, each officer will be able to obtain the necessary knowledge in order to work as a civilian, once he has completed his military service. Military education includes all fields and levels, including university studies that can be pursued either at the Military University or at the public or private universities of the country or abroad, as the case may be.

I personally feel that the institutional reinforcement of the Armed Forces finds in its educational system the strongest pillars for its permanence as a basic institution of the state and the defender of the highest values, such as sovereignty and national territory, as well as the other

constitutional missions that have already been mentioned. The agency in charge of safeguarding these two delicate issues is the new Doctrine and Military Education Command.

All of the above must be reflected in better discipline, of which we will become more aware as the educational level of all members of the institution is increased. This will contribute to recovering the civic values which have been lost in Salvadoran society for various reasons. Concerning the Armed Forces, the reforms to the Army military code of regulations that will be proposed in due time, and the implementation of the Army Honor Court as well as the reforms to all the laws that have been approved with new orders will strengthen, in general, all levels of discipline. The Inspector General of the Armed Forces and all echelons of the command are in charge of the effective implementation throughout the Armed Forces.

In other words, we will establish a strong relationship between unity of criteria and discipline, which will result in greater institutional strength and constant communications between the superior officer and his subordinates in all levels of command in order to learn of their needs and help them overcome their difficulties and both personal and institutional aspirations.

As minister of national defense, I want it to be recorded that I am very grateful and thank the former Public Security Corps, for the manner in which they served the fatherland in times of peace and in times of conflict. You may rest assured that the honest citizens are aware of the role they played during their institutional life in preserving the high national principles and for defending the citizens, their personal safety, and their property.

In the same manner, I express my appreciation and congratulations to the members of the strategic Atlacatl, Belloso, Atonal, Arce, and Bracamonte Rapid Deployment Infantry Battalions; to the patriotic volunteer civil defense groups; to the members of the dissolved Territorial Service; and generally to all the courageous chiefs, officers, noncommissioned officers, troops, and personnel of the different military or support units in the recent conflict, because they fulfilled their duty and the fatherland has been saved.

We could continue to list topics related to the life of the professional soldier and all the factors that have a positive or negative influence on his performance. I have gone on at length, however, in what I intended to say. I want to tell the president of the Republic and Armed Forces commanding general that the military considers the institution has written a brilliant page in the history of the country. Thanks to it we can continue to go about our daily life. It has been instrumental in promoting and aiding a form of human coexistence that permits a well understood democratic process.

This page is added to the military tradition of remaining loyal in the terms defined by our forefather, General Manuel Jose Arce. We can tell him proudly that the

mission we set out to fulfill, since the birth of our Republic, has been accomplished. The Republic lives and will continue to live, as long as there exist uniformed men, constantly renewed and updated, in an ever increasing complex world. Despite the fact that we have had many combat casualties, our cadres maintain a high morale, as a result of the concept of peace of our current commanding general. Our purpose to serve the citizens and fully identify with them is clear. The vocation of the professional soldier, which is imbued in each one of our generals, senior officers, junior officers, noncommissioned officers, soldiers, administrative and service personnel, members of the military bands and, in short, all personnel of the Armed Forces wherever they may be, places him in the position to give the best of himself, if necessary, to defend the fatherland.

We extend our eternal gratitude to the heroes and martyrs, to their wives, to their orphans, to their retired and proud parents, to our war crippled, to the courageous soldiers who successfully contributed to the military counterinsurgency campaign, for their dedication to duty, allegiance to the flag, and defense of the country's honor, to achieve the reward of silence and peace of the misunderstood.

We have learned that one cannot appreciate heights unless one gets to know the valleys and creeks. One cannot fully understand what causes leaders to make a certain decision, if one has been sitting behind the barrier as a mere spectator. Each person is the product of a particular combination of time, place, and circumstances. Destiny, nonetheless, will triumph. What has been accomplished will be recognized soon, when a new people emerges to the dawn of a new day, like an anthem of blessing and collective redemption.

We are encouraged very much by the loyalty of the majority of the civilian population to the values bequeathed to us by our forefathers. We express our appreciation to them for the support and understanding they have given us during these somber days. To you, Mr. President and Armed Forces Commanding General, we pledge our loyalty, institutional obedience, and personal appreciation of all the outgoing members of the Armed Forces High Command, for the confidence placed in us to accompany you in your peace plan. We augur the best of success for the peace plan, which is desired by all the Salvadoran people, so that the quota of sacrifice contributed by the Armed Forces will not have been in vain.

When we transfer responsibility to the new high command, we leave assured and confident that we are placing in their hands the vivid image of honor of our armed institute. May destiny grant them success, so that under their command, the glory of our Armed Forces will remain radiant on the horizon of national grandeur, so that the souls of those who fell, the length and breadth of our territory, will be renewed with the purifying balm of the blood that was shed, the spirit of our institute

nurtured with the altruism of selflessness, and the sign of the cross that liberates it from hate and impels it to secure peace.

Finally, allow me to invoke God, our Lord, Heavenly Father. I thank you because you have enlightened us to be able to command our subordinates along the correct path and contributed so that all Salvadorans may enjoy the desired peace today. Also, I beg understanding for the involuntary errors, which we as humans may have committed in the difficult mission assigned to us as soldiers, in our duty to the fatherland and the armed institution. If we could turn back history and had a chance to choose a career again, we would again choose the military career. To those who criticize it, we say: The Armed Forces will live on as long as the Republic does.

New Defense Minister Speaks at Swearing-In Ceremony

PA0107203993 San Salvador Radio Cadena Cuscatlan
in Spanish 1739 GMT 1 Jul 93

[Speech by new Defense Minister Jose Humberto Corado Figueroa after being sworn in at the Military Doctrine and Education Command headquarters in San Salvador—live]

[Text] Mr. President of the Republic, Mr. Vice President of the Republic, Mr. President of the Honorable Supreme Court and magistrates, members of the honorable diplomatic corps, cabinet members, honorable military attaches, generals, members of the high command, officers, subordinates, noncommissioned officers, soldiers, seamen, aviators, special guests, ladies and gentlemen:

This moment has a very special meaning for us because we believe it will have national and institutional repercussions during a very significant period in our country's history following a conflict that had deep consequences for El Salvador. It also represents a solemn commitment, which we are now making to the fatherland and the members of the Armed Forces High Command, which forces us to commit ourselves fully to fulfilling our duties and serving the nation with the greatest dedication and effort.

We know we are going to be put to tests of honor, commitment, and sacrifice, which we are sure to overcome guided by our deep patriotism and by our firm determination to strengthen our armed institution. Our primary and inevitable duty will always be to comply faithfully with our constitutional mandate. The Constitution prevails over our national institutions.

We receive this responsibility with faith in God and great personal satisfaction, but also with modesty. We know that if we act with professionalism, unity, and loyalty, the great enterprise that we are initiating today will be fruitful. We express our willingness to contribute to the government's efforts to reach its goals because we are convinced that by respecting the law and preserving

order, social stability, and development, we will achieve welfare and prosperity for the Salvadoran people.

We are proud to serve a civilian and democratic government, which we respect by observing the principle that political power should prevail over military power. That is why our institutional role will continue to be instrumental in supporting our national policies and achieving the great objectives of the Republic as a reflection of the legitimate aspirations of our society.

We are proud to be appointed by President Alfredo Cristiani, commander in chief of the Armed Forces. We thank him for his confidence in us. We also greet with great respect the members of the High Command, who we are now replacing in the leadership of the armed institution Division Generals Rene Emilio Ponce, Juan Orlando Zepeda, Gilberto Rubio Rubio, and Mauricio Ernesto Vargas. They are professional soldiers and we are sure the history of the fatherland has a place of honor for them.

We take this opportunity to pay tribute to the Armed Forces for its heroic and patriotic struggle in defense of the institutionality and supreme values of the nation. We send our greetings to all officers and subordinates regardless of rank, noncommissioned officers, cadets, soldiers, seamen, aviators, and other support personnel in the Armed Forces. We urge them to continue with their duties efficiently to contribute to fulfilling the great responsibilities we are assuming today.

We ask almighty God to guide our action, to illuminate our work, and to promote harmony and cooperation among the various national sectors so that despite natural differences, the common denominator of being Salvadoran will bring us together around our national goals and allow us to reach a state of well-being and greatness that is worthy of the courage and nobleness of our nation. Thank you very much. [applause]

Guatemala

CACIF Says U.S. Government Violates Trade Agreements

PA0107172293 Guatemala City PRENSA LIBRE in Spanish 30 Jun 93 p 46

[Text] The Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations [CACIF] stated on 29 June its surprise and concern about the eventual restriction of tobacco imports to the United States. This decision would violate the free trade agreements signed in the GATT.

According to the business group's leaders, the approval of a bill from the U.S. Senate Agriculture Committee, which wants to reduce tobacco imports from the 25 percent volume required by manufacturing companies, would cause irreparable social and economic damage in Guatemala.

According to the CACIF, tobacco is an extremely important nontraditional export. A production of 16,000 metric tons of Burley and Virginia tobacco is expected this year. The export of approximately 15,200 tons of Burley tobacco would bring \$78.85 million in revenues.

Estimates indicate 70 percent of tobacco exports are sent to the U.S. market. The sowing and processing of the remaining 30 percent does not cover the necessary expenses and investments, so this activity would tend to disappear.

Tobacco farms extend over approximately 9,100 hectares for six months every year. High-yield products are grown on the same land the rest of the year. Estimates indicate 140,000 persons benefit directly and indirectly from the tobacco harvest and it provides 4 percent of the country's agrarian exports.

The intended U.S. law clearly violates the free trade principles outlined in the GATT. It counters the preferential treatment accords currently in effect with the Caribbean basin and it advocates irreparable social and economic damage in Guatemala, the CACIF said.

Honduras

Callejas Accepts Official's Statement on U.S. Investments

PA0107162193 San Pedro Sula TIEMPO in Spanish 30 Jun 93 p 19

[Text] San Pedro Sula—President Rafael Callejas has accepted a statement by U.S. Deputy Assistant Secretary of State John Maisto on the need to guarantee U.S. investments in Honduras.

In a statement following his speech at the International Conference on Investment and Trade, which will end on 30 June, Maisto demanded that the Honduran Government respect the rules of the game by guaranteeing foreign investments.

At noon on 29 June before leaving the conference, President Callejas was receptive to Maisto's demands and admitted that the U.S. Embassy in Honduras defends the interests of U.S. citizens.

Asked if in his opinion Maisto's remarks were untimely, given that an international conference is taking place in Honduras to attract foreign investments to Central America, President Callejas said:

"No, I do not think his remarks were untimely. On the contrary, that is what these conferences are for: establishing the responsibilities of society toward foreign investment. If we want investments, we must offer guarantees, and he (Maisto), as the representative of a friendly nation, is entitled to express the criteria of U.S. investors and citizens."

President Callejas denied any knowledge of 40 cases in which property rights of U.S. investors have not been recognized because Honduran laws have not been enforced.

He said he recalls only one of two cases, the one of a U.S. citizen who bought land in El Picacho, an area claimed by Honduras as national territory. "That is the only case I know of."

With regard to Maisto's demands that Honduras should approve a law to protect copyright, President Callejas said the bill is in the hands of Congress, where it should be approved as soon as possible.

According to Maisto, the United States loses \$2.5 million a year in Honduras because cable television firms illegally intercept U.S. signals for business purposes.

Callejas noted that Honduras could lose preferential customs tariffs if the copyright law is not approved.

Nicaragua

Bishops Issue Communique on Country's Problems

PA0107180493 Managua Radio Corporacion in Spanish
2200 GMT 30 Jun 93

[Communique issued by the Nicaraguan Bishops Conference; issued in Esteli on 29 June]

[Text] The bishops of the Nicaraguan Bishops Conference, gathered in Esteli to conclude our conciliatory deliberations, our sights fixed on Jesus Christ, who prompts us to evangelize, also wish to set our sights on our dear country in which we are compelled to spread the gospel's message of life and salvation. While the Lord inspires us with His holy spirit, we feel a deep devotion toward our people, who are immersed in the darkness of death.

First, we are distressed by the shocking and ever growing hunger of our people and the thousands of unemployed in the rural and urban areas. Those events cause suffering in many families, which forces us to speak out.

Second, the loss of the precious gift of life and human values has reached unimaginable levels, one example being the explosion of the Santa Rosa weapons cache and all the implications of total irresponsibility and homicidal maliciousness it may entail.

Third, total insecurity reigns in Nicaragua. The number of murders, robberies, and the like throughout the national territory, in the mountains and cities, grows more alarming each day. Moral aberrations such as child molesting even within a household, drug trafficking, and public robberies in broad daylight are crimes that cry out to heaven.

Fourth, administrative corruption at all levels has become a cause for common outcry. The inefficiency and sometimes complicity of those who should ensure the common good places us in a situation of complete helplessness.

Fifth, considering this critical situation, a limitless feeling of indifference and apathy is spreading among the population. It would seem that we have even lost the ability to become outraged. The politicians seem more concerned about ensuring their share of power than with the country's problems. If the people lose faith in their representatives, what political path will they have left? Never have such clear and serious accusations been made with so few repercussions in the people's conscience. The common citizen has grown accustomed to so many accusations receiving no reply that he no longer reacts. Let us hope that this call will prompt those in positions of authority to react, reconsider, and support the truth.

Despite this situation we lift our hearts in hope with the certainty that if we turn to the Lord with the intention to reconvert, He will surely extend His assistance to solve these problems. In placing our conciliatory efforts in the hands of the Immaculate Virgin Mary, we invite all Nicaraguans to entrust the country's welfare and success of the new evangelization in her hands.

Issued in Esteli on 29 June 1993. Saint Peter and Saint Paul Festivity.
Nicaraguan Bishops' Conference [word indistinct]
Leon Bishop Monsignor Bosco Vivas Robelo, secretary of the Second Provincial Council.

* Correction to Problems Implementing Job Programs

WA0207134293

The following correction pertains to the item headlined "Problems Implementing Job Programs Explained," published in the 29 June Latin America Daily Report on pages 21, 22 and 23:

Page 22, see corrected graphic: (Inserting numbers to correspond with graphic key)

Income Distribution



The map shows the various regions of the country in which destitution and poverty predominate. The shadings show how the problem is gradually spreading throughout the nation.

Key:-1. Presidency of the Republic of Nicaragua-2. Extreme poverty-3. Severe poverty-4. Average and lesser poverty-5. Population-6. Municipalities

Panama

President Endara Approves Electoral Law Reforms

PA0107191293 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Jul 93 p 1

[Report by Carmen Elida Contreras]

[Text] President Guillermo Endara on 30 June approved the electoral law reforms which, in his opinion, will ensure "honest and aboveboard" elections in May 1994.

Endara was accompanied by state ministers, legislators, and Electoral Tribunal magistrates when he made

the electoral law reforms official. The reforms give the Electoral Tribunal economic autonomy and broaden the definition of residence for candidates who can now announce their candidacy from anywhere in the nation.

According to the president, the electoral norms were enacted as the result of "efforts by many people who want to work in a democracy" during the upcoming elections.

Electoral Tribunal President Eduardo Valdes Escoffery and Legislative Assembly President Lucas Zarak also spoke at the event, which coincided with the closure of the second period of the fourth legislative session.

**Endara Comments on Electoral Code Reforms,
Resignation of Colon Mayor**

*PA0107212393 Panama City Telemetro Television
Network in Spanish 1730 GMT 29 Jun 93*

[Text] President Guillermo Endara Galimany spoke to the media about economic autonomy for the Electoral Tribunal, the concept of broad residence, and the requested resignation of Colon Mayor Alcibiades Gonzalez.

President Endara congratulated the legislators for eliminating the concept of restricted residence from the electoral reforms. Regarding the comptroller general's right to prior approval of the Electoral Tribunal's use of funds, Endara said an agreement had been reached with the comptroller general that if the Legislative Assembly approves any article against his right to prior approval, he has the right to appeal to the Supreme Court of Justice. The president also commented on the requested resignation of Colon Mayor Alcibiades Gonzalez.

[Begin recording] [Endara] I think he has done a tremendous job. He has been very loyal to the executive branch. He has been a good friend and a good mayor. I have only good things to say about him. Nevertheless, I need his resignation.

[First unidentified reporter] Mr. President, the mayor of Colon wonders why the president has appointed a person

who did not respect the electoral victory of Dr. Arnulfo Arias in 1968. Now that person is giving orders despite the fact he knows nothing about Colon Province.

[Endara] One of the greatest achievements in recent years has been a rapprochement between traditional political enemies. The Arnulfist and Liberal Parties had been waging a tremendous fight against each other, but when we found ourselves before the military dictatorship, we realized how many things we had in common. We Arnulfists have overcome our long-standing differences and misunderstandings with the Liberals.

First, the Arnulfists gave the Liberals an opportunity when the Liberals found themselves without a party. In 1984 we offered them opportunities on our voting ticket as a gesture of brotherhood. They returned the favor in 1989 when the dictatorship took our party away from us. They gave us some opportunities within their party so we could run and obtain some legislative seats.

[Second unidentified reporter] Could that happen with the Democratic Revolutionary Party [PRD]?

[Endara] Well, nobody can predict the future, but I dare say that would not be the case because there is one basic difference between the PRD members and us: The PRD holds the doctrine of military dictatorship, the Noriega doctrine; we do not share that doctrine. [end recording]

Argentina**Economy Minister Views U.S. Visit, Agricultural Subsidies**

PY0107163893 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2357 GMT 30 Jun 93

[Text] Buenos Aires, 30 Jun (NA)—Economy Minister Domingo Cavallo today stressed that U.S. President Bill Clinton said the United States will take "special care to not apply subsidies on agricultural exports to countries that represent important markets for Argentina—such as Brazil and Venezuela."

The economy minister stressed that Clinton "emphatically stated that the United States will propose the complete elimination of subsidies at a Group of Seven meeting in Tokyo next week."

Cavallo said the U.S. President was informed that Argentina and other Cairns Group members are opening their economies to the services industry while protecting intellectual property, and that this "is closely linked to the elimination of subsidies."

The economy minister pointed out that Clinton yesterday received Argentine President Carlos Menem as "an old friend" and had words of "admiration and praise for him."

The economy minister emphasized that the praise received by Menem in Washington "will increase international support for Argentina."

Cavallo noted: "This was also demonstrated by the exceptional way YPF [Government Oil Deposits] shares were received on the stock markets."

The economy minister said this success and the repercussions of the presidential visit demonstrates that "everything is faring very well and will help our country to receive more investments, new jobs, and increased production in all fields."

Cavallo admitted that he was "infuriated" by charges of irregularities in the YPF privatization, as raised by UCR [Radical Civic Union] National Convention President Osvaldo Alvarez Guerrero.

The economy minister said that on 25 June, just before the very important public sale of YPF shares, Alvarez Guerrero raised charges before the U.S. Securities Exchange Commission. Cavallo described the action as "regrettable."

He said: "Our attorneys worked, with our support, throughout the entire weekend and on 28 June the charges were dismissed."

The case "did not get out of control, but it could have tarnished Argentina's image and harmed the sale of YPF shares, with all that it represents for Argentine society."

The economy minister emphasized that "the proceeds of the shares will go to retirees who must collect a debt that was contracted by the UCR administration to which Alvarez Guerrero belongs."

In remarks to Radio America, Cavallo said the belief that it was wrong to sell YPF or that the minimum price was too low "are completely groundless."

The economy minister stressed: "Had we established a higher minimum price, the shares would have been purchased by people with speculative goals."

Spokesman Calls Clinton-Menem Meeting 'Exceptional'

PY0107235793 Buenos Aires TELAM in Spanish 2204
GMT 1 Jul 93

[By TELAM correspondent]

[Text] New York, 1 Jul (TELAM)—Media Communications Secretary Raul Burzaco labelled the meeting held in Washington on 29 June by Presidents Bill Clinton and Carlos Menem "exceptional" and "much better than expected."

The Argentine Government's official spokesman held a news conference here today with U.S. journalists during which he assessed Menem's visit to the United States.

Burzaco said the excellent results of the presidential meeting are not only the impression of government representatives, but "the view of Argentine journalists and the media in our country also is very good."

Burzaco showed U.S. journalists facsimiles of several newspapers such as CLARIN and commented: "This is one of the most critical newspapers and it says 'Clinton granted his full support to President Menem.'"

The communications secretary also noted that the Argentine media did not believe before the Menem-Clinton meeting that it would be such a favorable meeting for Argentina, and reminded that the improvement in bilateral relations "starts where President George Bush left them, and you can believe this even more so after this visit."

Burzaco added: "Menem is impressed by the warm welcome and the privilege of having being received by Clinton."

When asked about the reform of the Constitution and the presidential reelection, Burzaco answered by quoting Menem: "You are talking about a reelection not me."

He then added that "our Constitution is obsolete and must be updated, made more flexible without altering its basic principles," and within this framework the subject of reelection is only one of the many subjects to be discussed.

A reporter from the well-known WALL STREET JOURNAL asked whether a reelection would safeguard Domingo Cavallo's permanence as economy minister.

"Cavallo is a key man, but he would not exist without a president such as Menem who grants him political support," stated Burzaco before mentioning that the Radical government "also had good economists, but did not give them its support at difficult moments when the problems surfaced and the money machine got going, thus generating high inflation."

"Now, in change, there is a plan that remains unchanged and that has given the country great stability," Burzaco told the media representatives.

In view of the fact that three U.S. newspapers (THE WALL STREET JOURNAL, NEW YORK TIMES, and WASHINGTON POST) commented on "Menem's frivolities," Burzaco answered that "those journalists are influenced by what they read and hear" in Buenos Aires.

I don't see why the president "should conceal the fact that he leads an active life," and "they only look for what they consider frivolities but, at the same time, fail to disseminate the magnitude of all the president is doing."

Burzaco told U.S. journalists that in Argentina there is a sector of the media "that criticizes freely and the president accepts it. But when the president makes a criticism the SIP (Inter-American Press Association) and various press organizations react."

After noting that full freedom of expression and press prevails in Argentina, Burzaco asserted: "I, with 40 years in the media, would never uphold restrictions."

Bolivia

MNR, UCS Reach 'Governability' Agreement

PY0107231893 La Paz Television Nacional Network in Spanish 1700 GMT 1 Jul 93

[Speakers in recorded portions identified by screen captions]

[Text] The MNR [National Revolutionary Movement] and the UCS [Solidarity Civic Union] signed a governability pact [pacto de gobernabilidad] in the auditorium of the new Congress building this morning. This agreement will be in force from 1 July 1993 to 6 August 1997.

After long negotiations, the MNR and UCS finally reached a governability pact, which guarantees the implementation of the MNR's Plan for All and the UCS' Solidarity Plan. The agreement also provides that the UCS will be entitled to appoint one minister, the head of a regional development program, and the first vice presidents of the two houses of Congress. [Begin recording] [MNR representative Herman Antelo] 1. To confirm in Congress the election of Gonzalo Sanchez de Lozada as constitutional president of the Republic and

of Victor Hugo Cardenas as constitutional vice president of the Republic for the period extending from 1993 to 1997 pursuant to the popular will expressed in the recent general election.

2. The UCS, especially its congressional bloc, supports the MNR administration in its political action with a view to endorsing MNR endeavors at all levels, whether political, legislative, or administrative.

3. The aim of the present governability pact is to give Bolivia a firm, stable, broad-based government that will guarantee the implementation of the Plan for All, which will be complemented by the UCS' Solidarity Plan.

4. The UCS' participation in the national government will be crystallized in Congress by assuming the first vice presidency of the Senate and the first vice presidency of the Chamber of Deputies, as well as the chair and secretarial duties at the committee level in a number commensurate to its congressional bloc in relation to the total number of congressmen belonging to the majority bloc.

Within the executive branch, the UCS will appoint capable individuals who will be charged with heading a ministry, the presidency of a development corporation of an area located on the main highway, two ambassadors, two under secretaries, and directors of development corporations all over the country.

The president of the Republic also may ask the UCS to nominate qualified citizens for other public institutions, both at the departmental and national level.

5. While this governability pact remains in force, the UCS and the MNR will keep their own individual legal status, and they will independently manage their political activities and their political nominations for the national and municipal elections. For the 1993 municipal elections, the party that obtains the largest number of votes will be supported by the other party of this pact, both in the cities and in the provincial districts, as requested in each particular case.

6. This governability pact will be valid from this date to 6 August 1997, and it may be extended by mutual agreement. [end recording]

The agreement was reached by the commissions of the MNR-MRTKL [Tupac Katari Revolutionary Liberation Movement], whose members were Juan Carlos Duran, (Carlos Sanchez Berzain), and (Nicomedes Cejas). UCS members were Edgar Talavera, Guillermo Rosso, and Jaime Ponce Caballero.

[Begin recording] [Juan Carlos Duran] Today we reached an agreement with the UCS, a pact that will guarantee the tranquillity necessary for the operation of the branches of government in order to implement the Plan for All, which will be enriched and supplemented by the UCS Solidarity Plan.

[Edgar Talavera] As a party, we have concluded that it is necessary to unconditionally support the party that won

the 6 June elections. The UCS leader on 19 June summoned all party leaders and congressional bloc members to analyze the issue, and this was the conclusion of our meeting. [end recording]

As of today, the new government of the MNR and UCS has been consolidated, ruling out other proposals from the MBL [Free Bolivia Movement] and Condepa [Conscience of the Fatherland].

Brazil

Franco Rejects Proposal for Coup To Solve Crisis

PY0107232093 Madrid EFE in Spanish 1538 GMT
1 Jul 93

[Text] Brasilia, 1 Jul (EFE)—Brazilian President Itamar Franco rejected a proposal for a coup d'etat to overcome the crisis in the country, which is being promoted by conservative Deputy Jair Bolsonaro, a fan of Peruvian President Alberto Fujimori.

"I will not permit a coup d'etat while I am sitting in the presidential chair," Franco, 62, said during an interview transmitted by the "Manchete" television network on 30 June.

Franco termed unrealistic the movement, which has become increasingly strong—especially among military reserve officers like Bolsonaro, who preaches a constitutional break and an authoritarian regime for overcoming the political and economic crisis.

He said: "In this difficult time the country is experiencing, in which it is necessary to have political balance, let those who are in a more backward position and who do not want to progress, let them not disturb democratic order."

Franco, who nine months ago replaced Fernando Collor—who resigned during a impeachment trial on corruption charges, said he will end his political career at the end of his term in January 1995.

The president praised Finance Minister Fernando Henrique Cardoso, noting that "he showed highly patriotic, cooperative behavior" by accepting, against his will, the main and most troublesome government portfolio.

"He went to bed as foreign minister and woke up as finance minister," Franco said, recalling that a little more than a month ago he designated Cardoso to the post without consulting him.

Editorial Views U.S. Attack on Iraq

PY0107182993 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jun 93 section 1 p 2

[Editorial: "The World Police"]

[Text] Within the economic sphere, the so-called new international order is increasingly becoming a multipolar system. Within the geopolitical sphere, the United States is consolidating itself as an absolute and incontestable leader and is exercising the resulting hegemony in such a way that it is causing concern.

The attack last weekend on Baghdad is a case in point: Washington alleges that the firing of 23 missiles—there is talk of eight dead—sought to punish the bloody Iraqi tyrant, Saddam Husayn, for an alleged attack attempt against George Bush in Kuwait that was aborted by the local authorities 2 months ago.

Those responsible are now under arrest and they will go on trial. The action of the United States is not justifiable and it should have not taken on the role of jury, judge, and indeed the hangman who kills, but without knowing whom. It represents a form of retaliation that can only be expound by force and is contrary to the desire for greater respect for international rights.

Bill Clinton's popularity is at a noticeably low level in the United States. The timing [preceding word in English] of the attack and the puniness of his justification suggest that internal policy factors could have been decisive, and this makes matters even more condemnable.

What is even worse, there are other points within that world police syndrome that the United States seems to want to assume. For example: The Supreme Court has already decided that foreign citizens can be tried within the country after having forcefully been brought from their countries. This legitimizes international kidnapping by U.S. agents.

According to a poll published in the United States, 53 percent of Americans would approve if their country had Husayn assassinated; thus the danger of the sensation of omnipotence is becoming widespread. In the end, the moral line that separates a terrorist action like the one in which six persons were killed 4 months ago in New York and the imperious action that killed eight people over the weekend is very tenuous. But there is another line that is very clear, the one that distinguishes an action that is sustained by the law from another that is based only on military supremacy.

Article Notes Basque Terrorist Links to Managua, Brazil

PY0107205993 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jun 93 Section 3 p 1

[Article by "special correspondent" to Managua Fernando Rodrigues]

[Text] Members of the separatist organization ETA [Basque Fatherland and Liberty], who were linked to the international kidnapping network discovered in Nicaragua, were trained in the former Southern Yemen. They learned guerrilla tactics and the handling of explosives in the company of representatives from other elite groups

like the Red Army (Germany), Direct Action (France), and the IRA (Northern Ireland) in this Middle East country.

This information was given to Spanish authorities by Jose Maria Larreategui Cuadra, who was deported to Spain after he blew up an arms depot in Managua on 23 May.

Larreategui was a member of the ETA (organization fighting for the separation of the Basque country from Spain), which maintained a mechanics office as a front for a clandestine "bunker." The weapons found in the "bunker" belonged to the People's Liberation Forces (FLP), a faction of El Salvador's Faraundo Marti National Liberation Front (FMLN).

Larreategui was known in Nicaragua as "Pedro." His Basque name is Atxulo (which is pronounced "Atchulo"). He told Spanish police that in 1980 ETA chief Jose Antonio Urruticoechea Bengoechea instructed him to establish an international relations branch for the organization.

According to the Spanish publication ABC, Atxulo was introduced to his Southern Yemen contacts through a common friend. The friend in question was Zaki Al Helou, of the PLO, who was then in charge of the PLO military faction.

The training in Yemen lasted approximately 20 days. In Yemen Atxulo met other international guerrillas. He settled down in Nicaragua in the mid-1980's where he taught his Latin American colleagues what he learned in Southern Yemen.

In 1986, Basque national Sebastian Echaniz arrived in Nicaragua. He also was deported to Spain recently due to his alleged links with the Managua "bunker." Echaniz worked in the Fifth Section of Nicaragua's Interior Ministry, where the Sandinista government's espionage apparatus was being prepared.

The connection with Latin American kidnappers began after ETA was installed in Central America in the mid-1980's because Nicaragua was a secure port of sorts for all kinds of terrorists. All you needed to be welcomed was to be associated with a cause considered to have a humanist character by the Sandinista guerrillas.

Dozens of Brazilians arrived in Nicaragua in this way and were trained in guerrilla tactics. One of them was Raimundo Roselio, who was arrested in Sao Paulo in 1989 in connection with the kidnapping of Abilio Diniz. Coincidentally, all the material used to prepare Diniz' kidnapping was found at the Managua "bunker," which was controlled by the ETA and the FPL.

Sebastian Echaniz said the Sandinist National Liberation Front (FSLN), which ruled Nicaragua from 1979 to the beginning of 1990, began commissioning services to ETA members in the country. One of those commissions, which ended up succeeding, was to kill Eden Pastora, or "Commander zero," who was one of the FSLN's main opposition leaders.

Echaniz says that besides sporadic work for the Nicaraguan Interior Ministry's Fifth Section, he learned to manufacture—among other things—small ornamental statues with hidden microphones camouflaged in them.

'Stringent Control Measures' Approved for Banking System

PY0107224893 Rio de Janeiro O GLOBO in Portuguese
30 Jun 93 p 25

[Text] Brasilia—Finance Minister Fernando Henrique Cardoso scored a significant victory on 29 June at the National Monetary Council (CMN) in view of the fact that it passed—in its first meeting under Itamar Franco's administration—stringent control measures for official banks and states' and municipalities' finances. The CMN decided to include in the White Collar Crime Law bank managers who authorize loans for comptrollers (at federal and state government levels) or state-owned enterprises.

The CMN also prohibited the Central Bank from implementing programs to salvage banks confronted with liquidity problems. The latter will have to turn to the interbank market for financing or else resort to the BC [Central Bank] discount facilities, which have punitive and short-term interest rates.

In order to step up controls, the CMN decided that operations related to advances on revenues to be collected by states and municipalities, loans granted by the Federal Savings Bank [CEF] either by internally generated funds or those from the FGTS [Severance Pay Fund], and loans granted by the BNDES [National Bank for Economic and Social Development] with funds from the Merchant Navy Fund will come under the provisions established in Resolution No. 1718. The CEF and the BNDES will have to discontinue loans until they abide by the aforementioned provisions.

Another CMN decision is to advance the December 1994 deadline for "writing off bad debts" to December 1993. This provision establishes that for accounting purposes all bank loans that have fallen into arrears must be written off as bad loans.

We are fulfilling what we said we would do when we launched the Immediate Action Program, Cardoso said. On 29 June he announced the closure of nine Amazonia Bank (Basa) branches and pledged to announce new measures in August.

Still another measure approved by the CMN provides that importers from other countries' public sectors will have to submit financial backing by their governments and official banks as collateral to obtain financing within the framework of Proex (Export Financing Program). This decision applies to imports of both goods and services. The exporter cannot be a delinquent debtor to the federal government or Brazilian official banks. The requirement for importers is that their governments

should either not have fallen behind in their payments to the Brazilian Government or at least be conducting debt rescheduling negotiations.

*** Principal Advisers to Finance Minister Profiled**

93SM0306B Sao Paulo VEJA in Portuguese 2 Jun 93 p 20

[Article: "A Finely Tuned Team"]

[Text] Minister Fernando Henrique Cardoso has managed to put together a finely tuned team to help him in the Ministry of Finance. His three chief advisers—Edmar Bacha, Winston Fritsch, and Gustavo Franco—teach at the same university (the PUC [Pontifical Catholic University] of Rio de Janeiro), think the same way politically (they belong to the PSDB [Brazilian Social Democracy Party]), and have specialized in basic areas of the economy. Fritsch, who has been chosen to head the Special Secretariat on Economic Policy, will be in charge of planning major administration policies, an example being that for reducing import tariffs. He won fame in the Collor administration by working on the plan for opening up the economy. Gustavo Franco, Fritsch's assistant, is a rising star in academic circles. He is also the most forceful of the PSDB triumvirate; he loves to talk about hyperinflation and about ways of eliminating it by frontal assault.

Bacha does not have a definite position in the administration; instead, he is going to work in Rio de Janeiro as a special adviser to the Ministry of Finance. Bacha is now a follower of the orthodox line. A former supporter of economic packages (he contributed to the Cruzado Plan), he advocates equilibrium in public finances. He detests the populism of the rulers—a feature so far of Itamar's administration. Part of that change is probably due to the frustration he inherited from the Cruzado era. He resigned from the IBGE [Brazilian Institute of Geography and Statistics] in November 1986 because he opposed the plan by Dilson Funaro's team (a team that included economists Luiz Gonzaga Belluzzo and Joao Manuel Cardoso de Mello, among others) to falsify the inflation figures.

"Foolishness"—Concerning Gustavo Franco, it is a good idea to be clear about what his job is. He was chosen even after disparaging the Eliseu Plan. He had said that its measures amounted to no more than a "supermarket shopping list" and that Itamar's fixation against interest rates was "foolishness." Franco seems more inclined to fight for a semiorthodox policy anchored in exchange rates. In a very recent article written for an economic magazine, he speculated concerning a "Brazilianization" of the Cavallo Plan. "If there were an attempt at dollarization based on the Argentine experience, the consensus is that many adaptations would be necessary," he wrote.

Fritsch, Bacha, and Franco are the friends of two other economists who were both part of Funaro's team: Andre Lara Resende and Persio Arida. They meet periodically to discuss economics. Speculation in the market has it

that Resende and Arida have gained the status of informal advisers and that Fernando Henrique has kept this a secret. Bacha denies it. The reputations of both men are linked to proposals for heterodox shocks. Resende has even written a paper on dollarization. It may be that Fernando Henrique is not dissociating himself from solutions based on the old orthodoxy. But if an electrical discharge comes out of nowhere, no one will have the right to be very surprised.

*** Cicero Views Electric Energy Policy, Petrobras**

93SM0311B Brasilia CORREIO BRAZILIENSE in Portuguese 6 Jun 93 p 14

[Interview by Tarcisio Holanda with Mines and Energy Minister Paulino Cicero; date and place not given; first four paragraphs are CORREIO introduction]

[Text] Minister of Mines and Energy Paulino Cicero advocates a reformulation of electric energy policies and revealed that starting this October, the utilities will be generating funds for investments in a sector of vital importance to Brazil.

Cicero also observed that work on 19 power plants in Brazil has been suspended, which in financial costs alone inflicts a \$1 billion loss on Brazil. If completed, those hydroelectric plants would add 10 million kilowatts to our installed capacity, which is now 50 million kilowatts.

The mines and energy minister confirmed that he had dismissed the president of CHESF [Sao Francisco Hydroelectric Company] after he found out that the man was also serving as president of the consortium that was building the Xingo hydroelectric plant, and added that the President of Brazil specifically recommended that he be very tough in dealing with anyone responsible for embezzling or theft of public funds.

Paulino also said that the president had recommended that he open the "black box" at Petrobras [Brazilian Petroleum Corporation, Inc.] to discover what its costs are. A contract has been signed with the Getulio Vargas Foundation to calculate those costs, including the cost of a barrel of petroleum pumped from Brazilian wells, versus the cost of a barrel purchased on the world market.

[Holanda] Minister, about the electric energy program that you and your team developed and that was intended to impose order on the Brazilian electricity system, allegations were made in Congress that this program was supposedly detrimental to federal government interests. Can you confirm that?

[Cicero] When President Itamar Franco sent his message to the Congress, I was there, accompanying then-president of Eletrobras [Brazilian Electric Power Company, Inc.] Eliseu Resende, when discussions took place in committee, among congressional delegations in both houses to demonstrate the hard, bitter, and black truth

about this country's electric power sector, its disintegration in corporate terms, and the chaotic interinstitutional relations.

So it became necessary to rehabilitate this sector if Brazil were not soon to face what Roberto Campos called "cheap darkness," which was predicted for the next two or three months. From the figures we submitted, it was evident that the electric power distribution companies had a claim of about \$22 billion against the federal government for funds they were entitled to but which the government had wrongfully withheld since it had not allowed them to charge the levels of tariffs that the law required.

So what the proposal did was to arrange for a settlement of accounts, a reconciliation between this gigantic federal government debt, and the money it was owed by state electric power companies because of having honored their loans from foreign and other sources. Through that overall reconciliation, the electric power sector is rehabilitated and acquires new vigor, we change the way we determine the electricity tariffs, we are going to promote the health of the companies, and we resume funding investment in expansion and modernization of the electric power system. So the country is saved in that regard. All this was explained to our colleagues in the Congress at the time when the bill was being considered there. I take the liberty of saying there was no opposition to the bill within the National Congress which, in its wisdom—and I have a lot of faith in that body—honored and supported the proposal by President Itamar Franco, which is now Law 8.631.

[Holanda] Minister, the Itamar government preaches transparency, and there is no doubt at all that he is one of the most transparent presidents of recent times. Would you call Xingo a transparent power plant? How much truth is there to the charges about failure to seek competitive bidding on the plant, irregularities so serious that you asked the TCU [National Accounting Office] to do an audit? Wouldn't it be easier to take action now, instead of putting off the judgment?

[Cicero] I believe that President Itamar is not just transparent in his actions, he is obstinate. And I have received a clear recommendation from him—that I think extends to all the other ministers—that there is to be no complacency with any error, especially when it entails losses for the Brazilian people. The president wants the minister and his team to get to the bottom of things. As regards the Xingo power plant, I am doing what he asked. Six audits have been done of that project, but it has been practically impossible for us to arrive at any conclusion through regular administrative channels.

For example, someone told the press: "There is overcharging at Xingo." I cannot say there is any overcharging at Xingo, because there is none. What actually exists is that companies that did the civil construction are demanding \$141 million in payments that were cut off by CHESF. They believe they are entitled to the

money under the contract, but we in the ministry, and CHESF, cut that sum. So that the same thing would not happen at Xingo as happened with Itaparica, when the contractor, after completing the work, won millions in a lawsuit in the courts, which it still has not collected.

We are asking the TCU to study the possibility of resorting for the first time to arbitration. There is no provision for this in CHESF's contracts with the so-called construction consortium, but if the TCU says it can be used and the companies agree to it we could then make a decision at the administrative level on the case and the claims for payment. If there were such an arrangement, we would insist that the matter be submitted to Congress. Unless Congress is involved, I will not participate in any negotiations with a construction contractor.

Incidentally, stories have appeared in the press insisting that as minister of mines and energy I negotiate a reduction in the prices of Xingo. Only if I were crazy or had no experience with such things. I am not going to negotiate with any contractor. Either there is arbitration sponsored by the TCU with the involvement of the National Congress, or we will let the courts decide the matter. What I want is to take a respectable route, using institutions that are above suspicion making an assessment of the situation. I will go even further: There were a lot of irregularities at CHESF concerning the Xingo project—no bids were sought on contracts for small parts of the work, services, or purchases of equipment or materials.

We ordered cancellation of all contracts that were signed without competitive bidding because it was our duty to do so, and we did it, just as I suggested to the President of the Republic that the president of CHESF be removed. And why? Because, while he was company official he agreed to serve as president of the construction consortium. Then he left the presidency of the consortium to be president of CHESF and in both positions he signed contracts and addenda to documents he had signed in one or another position, thus creating a confused mess, at the same time when he could have been the person—and I am not raising any personal questions about him, but however respectable, he was at the very least careless.

[Holanda] Minister, you yourself admitted that technical experts had predicted that given the drastic limitation on federal funds, this country is in danger of suffering an "apagou" [blackout] as the Argentines and Paraguayans would say, three to four years hence, i.e., electricity rationing. What have you done to change this outlook, which is pretty somber for a country that is going through a critical period in its economy and finances? What is the country's installed capacity, and what are the prospects in the midrange future for expansion of that capacity in terms of kilowatts?

[Cicero] We in Brazil have, as a result of a national effort, the investments spearheaded by Eletrobras, and

the system of raising funds from individual savers, an electric power generating system that totals more or less 55 million kilowatts of installed capacity—55,000 megawatts of power. In the Northeast, we have one plant that is now ready to receive its last generators (Samuel, in Rondonia) and that will help resolve the chaotic situation in the state of Rondonia. Also in the Northeast, Xingo should see its first 500 megawatt generator—which is almost equivalent to one "Tres Marias" plant—go on stream in July 1994, and another 500 megawatt unit will start up in December of that year. So, when those two generators start operating next year, the Northeast can breathe easier.

In the South, we have the Jorge Lacerda IV thermoelectric (coal-powered) plant in Santa Catarina, which should be ready by the end of this year. President Itamar Franco is scheduled to inaugurate it in December. It will produce about 370 megawatts of energy. In addition, we have other projects under way, not many, but there are 19 plants on which construction has started and then stopped. That is one of the huge liabilities of the Brazilian electrical system. And that is why I say the lack of funds, and even the lack of foresight of starting so many projects simultaneously, lead to poor management, to a situation where those 19 paralyzed units represent an investment of almost \$10 billion, yet work on them is at a standstill. That means we are paying a billion dollars a year just in interest on the capital that is tied up—besides not generating electricity, and having to stretch out the deadlines on the construction timetable. All that is problematic from the standpoint of the cost of the electricity that will eventually be offered to the consumer public.

[Holanda] If those paralyzed plants were to go on stream, how many kilowatts would they represent?

[Cicero] They would represent about 10 million kilowatts.

[Holanda] And there are no funds to resume work on those projects?

[Cicero] Not now. With the resumption of the electric energy plan under Law 8.631 in October, we will once again start generating investment funds with which to expand and improve the generation system. The 1993 budget calls for investments of about \$1.5 billion in electricity, completion of the Jorge Lacerda power plant, expansion and finalization of the Samuel plant, and continuation of work at Xingo.

[Holanda] You said that during the construction of the Itaparica plant, the established timetable was not followed and so the contractor went to court to seek a sizeable indemnification because of that. Suppose that the contractors of those 19 suspended power plant projects were to go to court. In addition to the loss of \$1 billion this year, we would have another huge loss if the courts were to rule in favor of the builder, as they did with Itaparica.

[Cicero] I believe that what was missing in this whole issue was the so-called "affinity for order" that is typical of Minas people. I once told you that the fundamental characteristic of a Minas native in the Republic is this ability to put things in order. A *mineiro* arrives, organizes the house, puts things in order, and then hands over the government and things start getting complicated again. I think that organizing spirit was lacking.

Our duty—and I have told President Itamar Franco this—is to put this cluttered house in order. Now that we have the law, we are going to plan for a phased conclusion of these projects, request a possible arbitration by the TCU in order to get a model from the Xingo case that can be used for other units, and prevent this enormous liability from hanging over the heads of the Brazilian people.

[Holanda] The petroleum question is another delicate issue for Brazil. In its more than 30 years of life, Petrobras has not yet been able to make Brazil self-sufficient in petroleum. There are among the defenders of neoliberalism many who consider the cost of a barrel of oil produced by Brazil to be an unfathomable mystery, whether the oil comes from the continental shelf or the continent. What is the situation in Brazil in terms of petroleum, how big are our reserves, and what are the prospects for expansion and self-sufficiency in the near and midterm future? How would you analyze this problem? It was said that Marajo Island has a huge reserve. But it seems that some wells failed, and nothing more has been said about it. What are the reserves in Campos and the Northeast?

[Cicero] This question comes at a good time, it is opportune, because if you open your newspaper this week you will find a report that Petrobras has signed a contract with the Getulio Vargas Foundation (FGV) for a determination of the company's costs. The headline is: "Finally, the Petrobras Black Box is Open." The President of the Republic told me that he did not know whether that black box exists or not, but if it does, it is my obligation as minister of mines and energy to open it so that the public can find out what is in it. So the president of Petrobras, Joel Renno—an extremely upright man—has now signed a contract with the FGV, which will supplement studies toward clearly defining the Petrobras costs. But I can tell you right now that international audits have been performed and they tell us that Petrobras costs are strictly within the bounds of international standards, and even lower in many cases because wages and inputs in Brazil cost substantially less than abroad. Now, since 1974 Petrobras has not received one cent from the national treasury, from the federal budget. All it has used is its own funds, generated by the prices the public pays for fuels and derivatives in general, or else funds it has borrowed from third parties. The fact is that Petrobras has generated its own funds to operate the system it built up and to expand, modernize, and update its production plant and equipment. But in its 40 years of existence—well, Petrobras started out with nothing, just a small well drilled in Lobato (Bahia

State) by the former National Petroleum Council, and now it has refineries whose installed capacity is nearly 120 percent greater than domestic demand.

Chile

Government To Insist on New General Preference System

PY0107223093 Santiago Radio Cooperativa Network in Spanish 1700 GMT 1 Jul 93

[Report by Carmen Castro from the Foreign Ministry]

[Text] Good afternoon. Referring to the extension of the General Preference System [SGP], Foreign Minister Enrique Silva Cimma said the Chilean Government will insist before the U.S. Government about the urgency to approve a new SGP, a mechanism implemented by the United States. As you know, public opinion has been informed about the possibility that the law authorizing the U.S. SGP will expire on 4 July, without having the law extending the SGP approved yet by the U.S. Congress by the end of the month.

The SGP is a mechanism by which the developed countries—the United States, the EEC, Japan, and Canada, among others—grant access to their markets with preferential duty tariffs on products, especially manufactured and semi-manufactured goods, although there also are preferences for some agricultural products and seafood.

This system has been submitted to reconsideration in the United States and affects not only Chile but 114 nations. On this matter, the foreign minister said:

[Begin recording] This matter, the resolution of which is outside the jurisdiction of Chilean authorities, may cause some concern among exporters. But it is just a temporary problem, the scope of which does not justify the climate of public alarm created around it. The Chilean Government has been active in the field of economic diplomacy in the quest for a quick resolution, as admitted by the National Exporters Corporation president in a recent letter to the foreign minister. [end recording]

The foreign minister also took the opportunity to say that the United States probably will give an answer within the next few days concerning the call to the two countries, simultaneously, by the Brian Commission to deal with the poisoned grapes issue.

Escobar's Relatives To Appeal Government Decision To Cancel Visas

PY0207030093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 2 Jul 93

[Excerpt] The relatives of Pablo Escobar who are in Chile, some of whom already have decided to get rid of the masks they had been using in the past few days, have said they will do everything in their power to stay in Chile after the government canceled their visas. They are waiting for Colombian lawyers, who will defend them.

At Investigations Directorate facilities last night, the relatives of Pablo Escobar were notified of the government's decision to cancel their visas and that they have to leave the country by 5 July at the latest.

Nicolas Escobar, who has been the group's spokesman, referred to their situation:

[Begin recording] I am planning to get in touch with a lawyer and ask for political asylum because we are protected, I mean, persecuted people. [end recording]

Nicolas Escobar and three of his relatives this afternoon again reported to the Investigations Directorate Foreign Department. They said police have retained their passports and, therefore, they cannot take any step to travel to another country. Upon leaving the building, Nicolas Escobar was very annoyed.

[Begin recording] [Escobar] I feel frustrated about this country.

[Unidentified reporter] Nicolas, will you stay or leave?

[Escobar] The way I see it, I believe I will stay even if I have to get into an embassy in order to be safe. [end recording]

Nicolas Escobar, who this evening looked calmer, said he believed the grounds for the government's decision were wrong, assuring that the money they are spending in Chile does not come from illegal activities by their relatives in Colombia. He said the police want to put them on the Argentine border or return their documents to them after boarding a plane on which they will return to their country. [passage omitted]

Colombia

Army Captures FARC Finance Chief

PA0207043693 Santa Fe de Bogota Inrvasion Television Cadena 1 in Spanish 0000 GMT 2 Jul 93

[Text] The Army and the Office of the Prosecutor General on 1 July captured three guerrillas in Santa Fe de Bogota. One of them is the chief of finances of a group from the Revolutionary Armed Forces [FARC], who used to organize in Santa Fe de Bogota the so-called Bolivarian Militias. This captive is known by the alias of Alfredo Arenas. The authorities consider him the organizer of the Bolivarian Militias, second chieftain, and chief of finances of the FARC 22d Front.

According to intelligence sources, Alfredo was in charge of ordering the ambushes of police and Army units, as well as planning and directing kidnappings and extortions of the cattle ranchers in the Tequendama and Rionegro areas. For example, entrepreneur Luis M. Sarmiento was kidnapped in December 1992.

[Begin recording] [Unidentified official] What was your specific mission?

[Arenas] I worked in the front as a guerrilla, that is what I did. I organized the masses, I spoke with the peasants.

[Official] What was your strategy?

[Arenas] I organized militias. [end recording]

During searches, the Army and the Prosecutor General's Office found documents that mention specific goals of the guerrillas. These goals included increasing the kidnappings of persons residing in Santa Fe de Bogota, strengthening ties with the drug traffickers of Yacopi, La Palma, carrying out terrorist attacks against the electricity infrastructure, and increasing the number of guerrillas in the front.

Defense Minister Rafael Pardo Rueda urged Colombians to remain alert with regard to the guerrillas.

[Begin Pardo Rueda recording] We must recall that the rebels are trying to take up positions during the election period in order to use force in any way, which is what they want. [end recording]

The minister also said that the operations against the guerrillas have been intensified throughout the country.

* Implications of Cusiana Oil Reserves Discussed

93SM0305A Santa Fe de Bogota SEMANA in Spanish
8 Jun 93 pp 56-62

[Text] Colombian history is about to take a dramatic change in course. In two weeks, the Colombian Petroleum Enterprise (Ecopetrol) will declare the Cusiana oilfield open for commercial use. This means that it will allow drilling in the largest oil reserve ever discovered in Colombia, and, in the future, everything will be stated in terms of whether it came before or after the oil bonanza.

For reasons of prudence (which are very frequent in this type of project), commercial drilling permits will be granted for approximately 1.5 billion barrels; but it is already clear, say experts (including those of foreign companies with interests in this field), that Cusiana has between 2 and 2.5 billion barrels, which is equivalent to the country's entire reserves at this point.

What this means is that in four years, the country may be exporting between 600,000 and 700,000 barrels of crude oil per day, three times the amount currently exported. And at a price averaging \$17 per barrel, revenues from this source alone could total \$3.6 billion to \$4.2 billion, more than half the revenues the Colombian economy currently receives from all foreign sales put together.

Price per barrel	\$17.00	
Investments	\$4.44	
Costs	\$3.29	
Distribution of Profits		
Country's profits	\$7.86	85%
Partners' profits	\$1.41	15%

Given the distribution provisions of the current partnership contracts, the country's tax structure, and the royalty system now in effect, the nation (including all departments and municipalities) could receive additional revenues of more than \$2.5 billion a year beginning in 1997. In other words, fiscal revenues could expand by approximately 5 percent of the GDP [gross domestic product].

At first glance, this looks like winning the lottery, and the windfall will not be spread out among a large number of two-bit players, as happened with the rapid expansion of foreign exchange earnings in the second half of the 1970's, but it will all land in the lap of one winner. It was coffee growers who profited from the bonanza of the 1970's; this time the entire nation will profit. And, as a result, the government will profit, since it ultimately ends up with the revenues. Although that looks great, it poses a major risk for the economy. Consequently, Cusiana is inspiring not only a lot of hope, but also a lot of fear.

Hope, because as Finance Minister Rudolf Hommes said a few days ago, this is a great opportunity to get the economy growing at a much faster clip than it is now, and with an enviable financial situation. According to the minister, Cusiana will give whatever administration is in power an unprecedented opportunity to carry out indispensable projects, such as essential highways and bridges, without having to resort to foreign credit. And this is the most important thing: After so much anxiety the country may be facing at least 20 years of financial tranquility.

But there is fear as well, because the expected increase in exports and fiscal revenues is so great that the country runs the risk of experiencing a sort of prosperity "on the debit side," with serious structural consequences. There are those who predict the total petroization of the economy and the appearance of circumstances similar to those in Venezuela, except that the bonanza would last a shorter time and the distortion would bring with it phenomena that would at least be similar to those seen across the border.

That is why it is so important for the country to begin discussing how it will handle the boom. Not only does the future of its economy depend on this discussion, but contrary to some analysts' emphasis on the fact that the major oil exports will not begin until 1997, the impact of Cusiana will begin right away, when Ecopetrol declares the oilfields open to commercial drilling.

The firms that will participate in the partnership agreement estimate that drilling all the oil out of Cusiana will require total investments of some \$6 billion. Although this investment involves a large proportion of capital and is very import-intensive, it has been calculated that at least 40 percent of it could have a destabilizing effect on the domestic economy because of monetization.

Investment in developing the project is not expected to amount to more than \$500 million this year, but next year investments could exceed \$1.1 billion. This, added to the normal fluctuations in the economy, could have a very adverse impact on the exchange rate. Indeed, the government is trying to figure out how to obtain financing from internal sources, at least for the national component. For this purpose, it is looking into the possibility of making commercial banks devote some of the funds they have frozen in the Bank of the Republic as their reserve requirement to investments in bonds to finance the Cusiana project.

But that is really only the first alarm. If the predictions about the wealth of the deposit and the schedule for drilling come true, a major change in production levels will not be seen until 1997. It is then that the economy will really come under pressure, and if it is not handled properly, the country could suffer from what economists call the "Dutch disease," which is what happens when revenues from a single export product make it necessary to revalue the currency, detracting from the competitiveness of all other products.

That could be avoided, of course, if the government currently in office decides not to change its policy at all and leave the reserves of the Bank of the Republic frozen. But as Eduardo Lora, director of the Federation for Development (Fedesarrollo), told SEMANA, with a surplus in the current account that could climb as high as 5 percent of the GDP, and with a budget surplus of about 2 percent (given that nearly all the money would go to the government, as mentioned earlier), it would be extremely difficult to just do nothing. First of all, the temptation to spend would be very great for the government; and second, the political pressure—in the regions and in Congress—would be equally great.

But if the government decides to blow its whole wad, even though that could produce higher growth rates, it is crystal

clear that the country would face enormous inflationary pressure. And given that the new Constitution says that the basic—and mandatory—function of the Board of Directors of the Bank of the Republic is to control the rise in prices, it is almost certain that the board would have to resort to the expedient of revaluation. That could create a perverse scenario of confrontation between the executive branch and the central bank, which would damage not only exporters, but the country as a whole.

Thus, most experts agree that the best thing to do is to create an atmosphere of cooperation, which could take the form of a great national pact for the management of the bonanza, and which would allow for the adoption of medium-term measures. Such measures would make the most productive possible use of petroleum resources without sacrificing economic growth, but would keep the country from going on a spending spree that in the long run would leave it exhausted and weak, as happened to Mexico and Venezuela.

The problem is that there are not very many examples of countries that have successfully managed oil windfalls of this magnitude. Suffice it to recall the problems that arose in countries such as Mexico, Venezuela, Indonesia, or Nigeria as a result of the oil boom. Just look at England, with its North Sea oil, not to mention Holland, whose problems in the 1960's with natural gas gave rise to the aforementioned "Dutch disease." One of the few examples of successful management of an external windfall—though not from oil—is Taiwan's.

And that is why the challenge facing the administrations of the next few years is no small matter. This is especially true if we consider the amount of money that will have to be managed and its relative weight in the economy (see the table on the distribution of exports). As stated at the beginning, between 1997 and 2002 the government will have to manage some \$2.5 billion in fiscal revenues each year, nearly half of which will have a specific destination, through royalties, internal costs, local investments, and transfers to municipalities.

Distribution of Exports

Year	Total	Lesser Goods	Coffee	Hydrocarbons	Mining
1990	\$7.079 billion	38%	20%	28%	15%
2000 without Cusiana	\$14.949 billion	60%	13%	13%	14%
2000 with Cusiana	\$17.552 billion	37%	11%	40%	12%

What this means is that in one way or another, a little over \$1.2 billion will flow into the country annually, and it will be very difficult to avoid spending that money, at least in principle. The government will have more discretion with regard to the remainder, however. Moreover, funds can be frozen if necessary. Consequently, many experts say the key to successful management of the bonanza will be how automatic revenues are spent, especially royalties, which will amount to about \$600 million a year during the period in question.

An interesting debate has taken place in Congress in connection with a bill governing this matter. One version of the bill, which has already been approved by the Senate's Fifth Committee, provides that oil-producing municipalities would end up with a chunk of royalties that in some cases would far exceed their needs. That could lead to wasteful spending, or at least an inadequate use of the funds, as this country has seen in the case of the Cano Limon royalties.

That is why the government has proposed a radical change in this bill, which would cut the royalties received by the oil-producing municipal jurisdictions by more than half if production exceeds 30,000 barrels per day. The idea is to transfer that money to a National Royalty Fund, which would redistribute it equitably among all the regions of the country. These funds could be used to finance the highway and port infrastructure that the country needs, for example. In addition the other foreign exchange generated by oil exports would not have to be monetized.

There are many alternatives for the use of this foreign exchange. There is a major consensus, however, that a stabilization fund should be set up outside the country, which would not only prevent the foreign exchange from exerting pressure on the budget or the exchange rate, but would also make productive use of it. Although the initial proposals are just now beginning to come in regarding the use that would be made of this foreign exchange, there are at least two that are of interest. One proposal is to use the money to prepay Colombia's foreign debt, or at least the most costly part of it. The other is to use the money in the foreign fund as collateral to guarantee the pension obligations of the deficit-ridden Institute of Social Security.

Advocates of the fund, who include some members of the current administration's economic team and prestigious private-sector researchers, say that such a scheme would make sense only if safeguards were written into it at the outset to remove the temptation for the administration in office at the time to squander the resources, and to give the private sector adequate confidence in the stability of economic policy. For that purpose, once again, a major national accord seems essential.

The fact of the matter is that the country faces one of the greatest windfalls in its history. Contrary to what most people think, this may not be such a good thing, unless, as the finance minister said recently, instead of working in a crisis atmosphere the nation as a whole understands that it can work in an atmosphere of virtue, in which Cusiana becomes the opportunity that the country has been hoping for for so many years.

[Box, p 58]

The Precandidates on Cusiana*

Roberto Gerlein: Petrodollars belong to the state, unlike coffee dollars, which are private. That is why Cusiana's wealth should be used to provide health and education benefits to Colombians. But no matter how great that wealth is, it will not be enough to meet the needs of our 13 million compatriots who live in dire poverty.

Enrique Parejo: I think that a large share should be invested in the improvement of thermal electric plants and in hydroelectric plants, so that we can head off the rationing that might be necessary by 1996. I have also proposed to the country a policy of generating employment through public investment.

Rodrigo Llorente: We must get the country thinking big again with this money, to revive the major regional projects that were abandoned more than 50 years ago: plugging the Darien, the highway to the sea in Antioquia, the gasification of the Atlantic Coast, and hydroelectric plants in Urra, La Miel, and Rio Force.

Humberto de la Calle: I propose that we use those funds to develop our physical and social infrastructure. That is, to increase investment in highways, aqueducts and sewer systems, education, and health. I disagree with the idea of using the Cusiana money for macro-projects such as major state enterprises or metros.

Rodrigo Marin: This money should be used for: a substantial increase in social investment (education, health, environmental cleanup, housing, and social security), the creation of a Farm Security Fund, the modernization of the infrastructure (basic highway network, ports, and railroads), and reducing the value-added tax (IVA) rate earlier than planned.

David Turbay: First we have to look at the inflationary impact of the money generated by Cusiana. But above all, that wealth should be put into social investment, salvaging the way of life of people in the countryside, preserving the environment, and improving ports, highways, railroads, and the country's highway network.

Antonio Navarro: That money should be invested in production, because a policy of this type would result in increased employment in the country. That wealth must guarantee, through sectoral policies, an industrial and farm policy, something that this government has not done because it has been focusing on the macroeconomic aspects.

Carlos Lemos: We must think of people first. The oil wealth should be invested in the poorest sectors of the population, and the quality of life should be improved for the largest number of Colombians possible. Of course, we must invest in the infrastructure, and above all in efficient public services.

* Ernesto Samper and Andres Pastrana did not respond to the SEMANA survey. The other precandidates could not be located.

[Box, p 62]

Difficult and Costly

With Cusiana, the country won the lottery, but after checking the ticket many times. Because the fact is that if anywhere there was a great effort or investment to find oil, it was here, in what is now known as Santiago de las Atalayas, where the Cusiana wells are located.

The story began in 1960, when the first prospecting campaign was launched in the foothills at the edge of the plains, an area that had been identified years earlier as one of great potential. Between 1960 and 1961, Texas Petroleum and Shell drilled four wells right around what is known today as Cusiana, but they were all dry.

Ten years later, based on more sophisticated seismic tests, a second prospecting effort began, lasting until 1978. Five companies were involved this time (Continental, Intercol, Elf Aquitaine, Superior, and Ecopetrol), and 12 wells were drilled. Most of them turned up dry, and mere residues of hydrocarbon were apparent in the others.

Although some of the wells drilled in that second campaign went down as far as 15,000 feet, today it is widely agreed that the failures were due primarily to technological problems.

The third campaign was launched in 1980, and the participants in it—still prompted by the initiative of Triton of the United States—were Intercol, Union Texas, and Colombia Oil Development, between 1982 and 1986, and British Petroleum and Total after 1987. A total of 22 wells with an average depth of 20,000 feet were drilled before any oil was found.

The first well to yield positive results was Cusiana 1, which was begun in late 1987 and was blown up by guerrillas in January 1988. After repairs in September of that year, it became apparent that there really was oil in this area.

In May 1989 drilling began on Cusiana 2, which had to be abandoned due to mechanical problems toward the end of that year, after it had already been drilled to a depth of over 11,000 feet. After the equipment was adjusted, it was drilled again, under the name of Cusiana 2A, and a year and a half later (September 1991) the presence of the deposit was definitely confirmed.

The investments made up to that moment were very large; some of the wells cost more than \$20 million. But that is nothing compared to the investments that will be required over the next few years to extract the oil from the Cusiana subsoil.

According to reports from the companies themselves, total investment in the project will be in the order of \$5.8 billion, of which \$1.725 billion is for the drilling of the wells; \$2.45 billion for the installation of equipment for the treatment of crude oil, gas, and waste water; and \$1 billion for the construction of pipelines.

It is not yet clear by which routes the crude oil will be taken out, but the map shown here indicates the most likely routes.

The total investment will be shared in equal parts by Ecopetrol, on the one hand, and the partner companies, on the other hand.

Paraguay

Commentator 'Congratulates' U.S. Ambassador
PY2906212193 Asuncion NOTICIAS in Spanish
27 Jun 93 p 17

[Commentary by Pablo Alfredo Herken Krauer: "Thank You, Mr. Glassman"]

[Text] I want to sincerely congratulate you for your excellent address on the challenges that face Paraguay's political and economic modernization, or better said, the obstacles that have to be overcome in order to progress and surmount backwardness and poverty, which affects 54 percent of the population, which you delivered on 24 June at the Paraguayan-American Chamber of Commerce.

Your address was very clear, concrete, and effective, saying what had to be said. I must confess that you seemed to be not so much a representative of a foreign government, but another representative of the Paraguay that is entering the 21st century, entering a world that increasingly seems to be a global village in which we will only learn to survive with a competitive integration in which the defense of sovereignty will not depend on the closing of borders nor on the property of state enterprises that are considered "strategic" for national security reasons, but on how well fed and prepared our people are and how alert and developed their minds are.

In this not quite serious or decent country, which is still a project of a country more than a formed country, no honest, credible Paraguayan with a modern outlook can but agree with you regarding the three pillars upon which you based the construction of the new Paraguay: Democracy, market economy, and civilian government.

Obviously there are many Paraguayans with the mentality of a cave-dweller who are anti-reformists and nationalists, who evoke statism and who are the populists that still dream of a large and easygoing state as the servant of the free man, a state that will prevent the abuse of private interests and that will promote general welfare. Paraguayans that charge that so-called "neoliberalism" is an aberration or a deceitful economic success without taking into account Latin America's real tragedy of having chosen the path of state interventionism.

Some of these Paraguayans dream of the resurrection of [former Argentine President Juan Domingo] Peron, and who wished a plague on the social cost of the "neoliberal" economic model that has been implemented in Chile, a country that has at least a 15 year lead on the rest of Latin America. Yet these Paraguayans do not mention the tragic case of Peru, the first country of the fourth world, where the statist economy of progressive and populist [former President] Alan Garcia simply accelerated events and completed the short cut that Peruvians took at the beginning of the 1970's.

But, do not worry Mr. Glassman. Sooner or later new generations of Paraguayans will show themselves to be caressed by the winds of change of the large world village and we will stop being an island without a sea looking back to the past in the search for scapegoats to explain our inadequacy. In sum, we will stop being the garbage dump of history and the circus of present times.

And, as you so well outlined it, the success of the building of the new Paraguay will be depend on:

1. The strengthening of democracy, beginning with a civilian government (the first in 54 years) which "seems to have the potential of becoming a real national government that will include and support all Paraguayans without distinction," together with the responsible conduct of the opposition, which has a majority, in Congress to oversee governability and to implement the necessary reforms with the urgent change and modernization of laws that will be compatible with a market economy and with a strengthening of government and judicial institutions where the independence of the Central Bank is a key factor.

2. Better organization of the Paraguayan economy on the basis of a market economy with a program for economic change like that proposed by [President-elect] Juan Carlos Wasmosy, with the backing of the majority of the business sector, will give Paraguay (and its economy) a scenario for stable, credible, governable, and predictable work and investment.

You say, Mr. Glassman, that this is done through "a firmly established civilian government in which the rules of the game and the roles of the various government components are clearly defined in a country in which bureaucratic traumas are reduced to a minimum, inflation is kept low, special interests and corruption do not play an influential role in government decisions, and under a legal system that really metes out justice."

Do we need a "Yankee" recipe or a magic formula to carry this out? Nonsense! It only needs a lot of common sense, a really patriotic spirit, and a modern outlook. We must flee from the garbage dump of history and stop being a circus. With all its ups and downs, Chile was able to forge ahead on the basis of a healthy and long-lasting economic policy, a stabilizing policy with low tariffs, without subsidies, and an extensive privatization program.

The same is happening in Argentina through monetary stability, a balanced budget, an improved tax collection system, the privatization of unprofitable enterprises, and a reduction of the government—without forgetting a drastic reduction of import duties to maintain low prices and to help and foment the modernization of the industrial sector.

Can we do this? We believe so because Wasmosy's program not only "contemplates a series of reforms similar to those implemented in Chile and Argentina," but also because the future president "is committed to an economic reform and is ready to use international experience and knowledge adapted to Paraguayan reality" (the hiring of [former Chilean Finance Minister] Hernan Buchi for example). In other words, as you well said Mr. Glassman, we can find our path while greatly benefiting from the lessons learned from countries that have gone through a similar experience.

3. "The appointment of the most qualified and ethically honorable persons for the posts where the most important decisions are made."

4. "The signals that Paraguay emits must be positive" in order to attract private foreign investment and win the confidence of world financial organizations, "avoiding pronouncements that could create an image of an archaic and isolationist country or awaken concern regarding the future of our democracy."

I congratulate you Mr. Glassman, because what you, without being a Paraguayan, and your German counterpart, Heinz Schnepfen, have contributed will serve the new Paraguay more than what has been said by Paraguayans who were born in this land, but who live on the moon, and who can never be re-educated.

Senate Approves Labor Code Unanimously

PY3006211593 Asuncion ABC COLOR in Spanish 30 Jun 93 p 6

[Excerpts] The controversial Labor Code draft bill, which was resisted by entrepreneurs and supported by workers, was finally approved by the unanimous vote of senators yesterday. Union leaders waiting in Congress' corridors expressed satisfaction. The senators hastily and without discussion approved the amendments introduced to the version of the bill approved by the Chamber of Deputies. There was a curious blackout during the session. [passage omitted]

The document now will be submitted to the executive branch for promulgation. Workers fear President Rodriguez might veto the document considering the strong pressure exerted by entrepreneurs to prevent its promulgation.

According to entrepreneurs, the new code will create more unemployment and scare investors because it is too rigid. Union leaders, meanwhile, say the entrepreneurs' arguments are groundless, adding that the new code will favor good relations between workers and managers.

Peru

Majority in CCD Approves Constitution Bill

PA0107162093 Lima Global de Television Network in Spanish 0100 GMT 1 Jul 93

[Text] On 1 July the Democratic Constituent Congress [CCD] will begin working without interruption, even on weekends if necessary, to approve the new text of the Constitution before 28 July. This deadline, however, can be extended. As planned, the session will begin with a speech by the Constitution Committee Chairman Carlos Torres y Torres Lara, who will explain the bill approved on 29 June by the pro-government lawmakers. The bill consists of 225 articles and nine complementary provisions. CCD President Jaime Yoshiyama fully endorses this document.

[Begin Yoshiyama recording] The bill for the 1993 Constitution is very modern and contains the structural reforms that are necessary to modernize the country.

Our target date to present the bill to the people is 28 July. If for any reason, however, we cannot meet that deadline, that is fine. The debates will continue. [end recording] At the same time, the opposition blocs in the Constitution Committee will submit separate reports on their own constitutional bills. For example, the Independent Moralization Front, Popular Christian Party, National Workers and Peasants Front, and Democratic Left Movement will do so and afterward submit a joint minority proposal.

[Begin Deputy Henry Pease recording] We are trying to offer Peru a democratic alternative where there is room for everybody and nobody is excluded. That is one of the things in which the experience of these past months has further distanced us from the majority. [end recording]

Committees Established in Ayacucho To Reject Constitution

PY0207000793 Lima LA REPUBLICA in Spanish
21 Jun 93 p 7

[Excerpts] The first two civic committees for the no, to reject via referendum the new constitution to be approved by the Constituent Congress, have emerged in Huamanga and Huanta, Ayacucho Department.

Former APRA [American Popular Revolutionary Alliance] Senator Mercedes Cabanillas was present at the installation of the two committees, whose board members are representatives of several political organizations and leaders of several grassroots organizations. [passage omitted]

Cabanillas said her party, together with the other organizations and personalities who took the initiative to reject the new constitution in an orderly fashion, will form similar committees at the national level.

The former education minister said: "It is just a matter of rejecting an authoritarian project that tramples on the social achievements and progress of the 1979 Constitution."

She said the draft constitution is anti-democratic, contrary to the autonomy of local governments, an enemy of regionalization, opposed to free education, and against retirees' interests.

Therefore, she stressed the need to adequately disseminate the scope of the new rules so the citizenry will be aware of their harmful effects and intentions.

She said her party is engaged in promoting criticism of the project prepared by the Constituent Congress' Constitution Committee in order to compensate for the almost generalized ignorance on the matter.

Cabanillas said the project was prepared practically in a cenacle, certainly to take advantage of the people's unawareness.

She also stressed the need for citizens to jointly pressure the government to fulfill the call for a referendum for the

approval or rejection of the new text of the constitution. She said the referendum must be on the text as a whole and not only on part of it, as intended by the government.

Likewise, former Senator Miguel Cruchaga Belaunde, member of the Liberty Movement Party's Political Commission, said the referendum must be explicit and not universal or partial. [passage omitted]

Fujimori on Inflation, Shining Path Reorganization

PA0107195993 Lima Global de Television Network in Spanish 0100 GMT 30 Jun 93

[Text] President Alberto Fujimori visited El Norte Chico and commented that the June inflation rate would not exceed 2 percent, which would be the lowest inflation rate in 16 years.

[Begin recording] [Fujimori] According to National Statistics and Information Technology Institute statistics, inflation will not exceed 2 percent, thanks to the economic program directed by Economy Minister Jorge Camet during the first half of the year. We hope the inflation rate will be around 1.8 or 1.9 percent. That would be the lowest inflation rate in the past 16 years. The effects of the economic policies will not be felt immediately. In this particular case, more effective management of monetary policy and other factors have allowed us to regain control of inflation and thus see results after the first quarter of the year.

[Unidentified reporter] Mr. President, in the past few days we have seen media reports about a possible reorganization of Shining Path under a commando headed by a woman.

[Fujimori] The reorganization does not represent any danger whatsoever. I reiterate that Shining Path and the Tupac Amaru Revolutionary Movement [MRTA] will be defeated. The MRTA is being defeated this year. The same will happen to Shining Path. The people must not worry or doubt the effectiveness of our [words indistinct]...

[Reporter] Have these people been identified? Are they being tracked down?

[Fujimori] We are proceeding very thoroughly. Sometimes these people are able to escape. Not long ago, [MRTA leader Nestor] Cerpa Cartolini escaped, but we followed him until we caught him.

[Reporter] Mr. President, ...

[Fujimori, interrupting] Definitely.

[Reporter] [Question indistinct]?

[Fujimori] Well, there is speculation about that woman, but I must say that the organization is not capable of organizing as it once did. It is completely weakened. [end recording]

Armed Forces Issues Communique on National Census

PA0107195293 Lima Global de Television Network in Spanish 0100 GMT 1 Jul 93

["Official Communique No. 004" from the Armed Forces Joint Command and the Institute of Statistics and Information Technology, issued by the Armed Forces Joint Command Public Relations Office in Lima on 28 June]

[Text] The Armed Forces Joint Command and the Institute of Statistics and Information Technology, in complying with Executive Decrees 023-93 and 024-93, inform the public of the following:

1. The registration process for the national census in urban areas will take place on Sunday, 11 July—National Census Day—between 0800 and 1700, and in rural areas from 12 to 26 July 1993.

2. On Sunday, 11 July, from 0800 to 1700, residents in urban and rural areas must not leave their houses as the government has banned the movement of citizens. On that day all public and private transportation services will be prohibited between 0700 and 1700, as will passage of persons and vehicles through border posts.

3. On National Census Day only officials participating in the census, police with security functions, and the vehicles used for their transportation will be allowed to circulate.

4. The sale and consumption of alcoholic beverages will be prohibited on 10 and 11 July.

5. Markets and similar places, commercial establishments and grocery stores, beauty parlors, religious, cultural, sports, and social activities, as well as activities requiring the movement of persons and or vehicles will be banned during the time when the movement of citizens is prohibited. The following will be exceptions to this rule: industries that because of the nature of their work cannot paralyze their production; the media; authorized drug stores; public and private ambulances, hospitals, clinics, and similar health centers; hotels and the like, taxi services at international airports; operations at the international airport for international flights only; ports for the arrival of passengers from other countries; private security services, and newspaper stands.

6. Persons who must work on Sunday 11 July in these establishments and services must be at their workplace before 0700 and must not leave until after 1700. These persons must register during the special census scheduled between 5 and 9 July 1993 at the census office in the municipality of the district where they reside.

7. Persons who because of duly confirmed emergencies must move when the movement of citizens is prohibited must obtain the proper authorization from the district census office, the census official, or the police post closest to his residence.

8. Persons traveling within the national territory on Sunday, 11 July will be registered as passers-by starting at 0700 at the first terminal, checkpoint, airport, or port where the vehicle in which they are traveling arrives. Those persons must remain at that location until 1700, when they will be allowed to continue their trips.

9. Persons who will be traveling abroad by air between 0700 and 1700 on Sunday 11 July and who hold confirmed tickets will be registered between 5 and 9 July at the census office in the district where they reside or are staying. They will receive a document certifying they have been registered, which will enable them to get to the airport.

10. Anyone who violates the census regulations will be detained by the police and sent to judicial authorities within 24 hours after his arrest.

The military forces, which will guarantee the security of census officials and the Peruvian population, urge citizens to comply strictly with the movement prohibition and to cooperate fully with the authorities to contribute to the success of the national census.

[Issued] Lima, 28 June 1993

[Signed] Armed Forces Joint Command Public Relations Office.

Agreement Reached on Payment to U.S. Company

PY0107192293 Lima CARETAS in Spanish 24 Jun 93 p 22

[Text] After protests and a walk-out by the minority, the budget committee—which is chaired by Carlos Blanco—approved a bill authorizing the Peruvian Government to pay \$185 million to the [U.S.] insurance company AIG over a seven year period for the expropriation of the Belco Company.

Mines and Energy Minister Daniel Hokama went before the committee on 22 June to explain the bill. After indicating that everything was clear and honest, tempers began to flare when he announced that the government would have to pay \$30 million to AIG upon approval of the bill. The opposition objected because, in addition to visits by [former Economy and Finance Vice Minister] Alfredo Jaililie on 21 June and the energy and mines minister, they also summoned [former Energy and Mines Minister] Jaime Yoshiyama and [former Economy and Finance Minister] Carlos Bolona on 24 June as these former ministers were involved in the original negotiations. The opposition also summoned Fernando Sanchez Albavera and Former Economy and Finance Minister Abel Salinas. Unexpectedly, by a 5-to-4 vote the committee decided to consider the data gathering as complete and passed judgment. The opposition, which asked for another week, protested and walked out of the session.

*** New APRA Secretary General Discusses Objectives**

93SM0310A Lima SI in Spanish 31 May pp 29-31, 57

[Interview with Armando Villanueva del Campo, American Popular Revolutionary Alliance (APRA) secretary general, by Correspondent Santiago Pedraglio; place and date not given]

[Text] [Santiago Pedraglio] There were some problems at the APRA party conference. The first was that the Trujillo delegation did not participate.

[Armando Villanueva] Yes, there were problems, but none serious. In the case of Trujillo (not that of the delegation, because there is none), the city's secretary general, Comrade Daniel Ortega, had received notice from the Disciplinary Committee, so he delegated the subsecretary so as to avoid any problems while his case was pending. So that was not a problem. There were other incidents....

[SP] But there was a delegation from Trujillo that tried to enter the conference, and was not allowed.

[AV] What happened is that twenty people came from Trujillo. And in reality, according to the statutes, the conference is a meeting for the regional secretaries general. But some are overly enthusiastic and think that it is a question of many clubs attending....

[SP] Vargas Haya has publicly objected to the treatment he received.

[AV] I deeply regret what occurred to Hector, which was a misunderstanding, as there was an area for secretaries who were actually members of the conference, and one for guests, and because of some confusion he was not allowed to enter. I received a letter from him confirming himself as a good comrade and friend, and I am going to go speak with him personally because I will not tolerate such actions. As long as I am secretary general—I was not at the time—I will try to avoid any actions of a personal nature which might harm APRA's fraternal structure.

[SP] They say your main allies are Idiaquez and Pecheco Giron.

[AV] Idiaquez is respected within the party, and is an historic figure, 88 years old; Pacheco is a party leader with no ideological ties to a well-known family ancestor. I am not, nor have I ever been, under anyone's influence. I was elected to seek a solution for the crisis within the party. I did not want to be secretary general. And regrettably, a vote occurred contrary to my request that I not be elected; a vote of approval. With this approval, I then demanded a vote. Because I did not want them to say of me what they said of Alan Garcia, that he was acclaimed in Trujillo but not voted for. So, after the approval the vote was held, which was unanimous.

[SP] Abel Salinas voted for you?

[AV] Yes, and he continues to be a senior official of the National Executive Committee [CEN].

[SP] Will there be a reorganization of the CEN? They say that one group refers to the other as "lumpen...."

[AV] That is something very curious: Everyone demands of us—and especially the newspaper EL COMERCIO, which has become very pro-APRA—representation of the masses. EL COMERCIO is the representative of the party's grass roots at those times, or so it seems. Fine, the congress of Trujillo took the masses to the national secretariats. People who were secretaries of small towns, students, teachers, are now national secretaries. Today, these members of the masses are the CEN. And that is not lumpen. What it is, is a lack of tradition within the party. But there are also people like Abel Salinas, who do have the tradition.

[SP] They say that this group of young grass-roots leaders, as you refer to them, was the main group opposing Mercedes Cabanillas, and that it was actually the reason for her resignation.

[AV] The problem that Mercedes might have had, and that I have, with respect to the party's internal work, is being resolved through its own actions, in its own style. I have no criticisms of Mercedes, absolutely none. But I am going to reorganize, one by one, each secretariat, helping, cooperating, and directing, because they are new people and young people.

[SP] The APRA party statutes say that the national conference is not authorized to elect the secretary general, which in this case has indeed occurred.

[AV] The national conference is the third hierarchy in APRA: the first is the congress, then the convention, and finally the conference. That is, the conference does indeed have the authority to be able to replace those absent and fill vacant positions.

[SP] The conference, then, has the power to elect a permanent secretary general, not just a temporary one.

[AV] Yes it does. Now, the conference can also convoke a congress. And I hope that the congress works fast for the party to achieve its total reorganization, so that it will be a very representative congress. I myself have supported it; my ideas did not win, but I respect the democratic decision of the conference representing the masses.

[SP] That means that ever since last Sunday Alan Garcia is no longer the APRA secretary general.

[AV] No, no. Alan called to greet me, congratulate me, and reiterate that he does not want to be considered as interfering, leading, directing, and ordering. He told me, "Armando, please, I repeat: I respect the decisions that originate in Peru and the party hierarchy." But we are keeping him in his post as secretary general in exile, like

Mantilla in his role as organizational secretary in political imprisonment. In a few days we will elect an active organizational secretary.

[SP] But in formal terms, you are the new secretary general.

[AV] I am. Both formally, and informally as well....

[SP] With respect to political tactics, you said some days ago that it is necessary to form "insurgency committees." Do you really believe that? Or is that a gesture, a feint for the courts?

[AV] No, no, no. Will you allow me a digression? The neoliberal system is leading us to great concentration of wealth, expressed in monopolies and oligopolies, with the destruction, for example, of the popular banks (cooperatives, mutuals, etc.), and it is producing, curiously enough, greater confrontation between classes, and consequently greater abuse, hunger, and popular crises.

[SP] But has that been reflected in the attitudes of the APRA base members?

[AV] It is the APRA bases who are telling us this, and at this stage it is my duty and that of the executive committee to demonstrate it.

[SP] You will admit, however, that political opposition—except for the CCD [Democratic Constituent Congress]—is practically nonexistent.

[AV] That is why it is necessary to lead toward constitutional insurgency. Because there is an article in the constitution about the right to insurgency. Now, insurgency does not mean insurrection; insurgency is not necessarily violent. Gandhi was an insurgent, and Gandhi toppled English imperialism without violence.

[SP] But is the attitude of APRA militants and sympathizers and other political forces combative, in favor of insurgency? Is there, on the contrary, no passivity?

[AV] No. The problem is that they have no cause. Now we are going to give them one.

[SP] Do you think APRA's latest changes will allow that cause to be created?

[AV] That is my responsibility, my duty in leading.

[SP] You have called upon members of the assembly to withdraw themselves from the CCD. Don't you think that opposition is very weak within the congress, and that except for this, up to now there has been no opposition?

[AV] With respect to the first: It was a journalist who asked me if they should leave. And I told him, "they made the mistake of entering, so it seems to me they can correct it by withdrawing," knowing that in this position, a minority one until now, many are interested in remaining. So my statement was not optimistic: it was a random statement, in response to a question.

[SP] I have heard there would have been an agreement—though preliminary—to support Fernando Belaunde in 1995, in a front for the presidential elections.

[AV] Absolutely incorrect. I have great respect for President Belaunde, but I state and declare that that version is totally false.

[SP] Very well. I also have the version that there was a meeting between Vargas Llosa and Alan Garcia in Europe, smoothing over not political differences, but rather subjectivities.

[AV] We have absolutely no information on that.

[SP] Wasn't it a mistake for APRA and People's Action not to participate in the CCD? The Fujimorists would have been in the minority; the crisis would have been greater.

[AV] Every little disagreement would have been turned into a tank battle, they would have again surrounded everything with tanks. But I believe that not to participate was a dignified reaction.

[SP] Not necessarily politically rational.

[AV] Political rationality must not abandon the foundation of dignity. That is one of this government's most serious problems. It is leading the country in an undignified fashion. Do you think that it is dignified and respectful of the public when at two or three in the morning houses are invaded, mattresses overturned, girls and young women are fondled—as I have been told—and are made to leave their homes to see if there are terrorists, and two hours later they are presented with gifts, with breakfast? First they offend even Peruvian women, Peruvian children, and then a gift...That is dignified?

I think that our attitude speaks out for civic and political dignity. Do you think it is dignified for those of us who declared the vacancy of the presidency of the republic, and who awarded the sash of the vice presidency in the Law Faculty, for us to then agree to compete in the congress that he convokes?

[SP] You speak of political decisions based on dignity, and that is laudable. But doesn't that mean that Alan Garcia should come to Peru to face up to the situation? Wouldn't that be part of the dignified behavior you call for?

[AV] He will probably be able to come to Peru when the conditions are right for it. I repeat: the conditions must be created. There is the insurgency. I am sure that Alan Garcia will appear in Peru if the conditions require it and the party calls upon him. The party has not called upon him because the party saved his life, when the assault on his house showed that they wanted to assassinate him.

[SP] Shouldn't a leader like Alan Garcia, who has governed the country and who I imagine wants to continue to play a role in Peruvian politics, now face some risks in Peru?

[AV] All of us politicians have to face risks.

[SP] You were in prison several years....

[AV] But those were different circumstances. I cannot demand that young people today experience what we did. The point of our sufferings was precisely to obtain freedom. And for the dictatorship, if it was again produced as it had unfortunately been produced in the past, to respect something. Back then there were no human rights. Today, at least, there are those who call for them.

I believe that Alan Garcia, whom the party forced to remove himself and go into exile, will return at the appropriate time, whether when the dictatorship disappears or when the time comes for the great popular uprising against the dictatorship.

[SP] And isn't now the time to make a decision of that type, when it is necessary to organize the opposition?

[AV] That is why we are organizing the opposition, those who are now here. And I am making an appeal through your magazine, so important in the defense of democracy, to continue talking. Maybe not everyone will be comfortable with the insurgency, because some think that it will result in a desire to escape...No: I believe insurgency is the dignified, democratic, patriotic expression of the people, and does not necessarily imply violence.

[SP] Isn't there a time when a leader like Alan Garcia has to run the risk of being jailed?

[AV] Well, Pierola entered Peru twice, illegally.

[SP] In fact, he could do that. I imagine that you and other APRA leaders also entered.

[AV] I entered three times illegally.

[SP] Can one hope that Alan Garcia will enter illegally?

[AV] I think that Alan Garcia brings together all the conditions for honesty, honor, and personal courage to be able to fulfill his destiny.

[SP] There is one particularly salient issue: human rights. Until now, APRA as a party has not had a general secretary for human rights.

[AV] Excuse me. There is indeed a general secretary for human rights.

[SP] Since when?

[AV] Since the 1980 congress.

[SP] But he has not functioned in practical terms.

[AV] He is a very young man and has never been a leader. He has a secretary who understands [legal]

defense and human rights. In the area of defense, since he is a law student, he has set up his office where it can attend to poor people requiring free services. But the area of human rights clearly requires greater activity.

[SP] Do you admit that the APRA government did not exactly characterize itself as a staunch defender of human rights?

[AV] I would say that there was a permanent defense. This is evidenced by the fact that when the barbaric crimes of Lurigancho and El Fronton were committed, the APRA government opened an investigation and tried those responsible, and they were demoted.

[SP] Alan Garcia said that either they go, or he goes...And in truth, it was not they who left.

[AV] But who are "they?"

[SP] The senior officers....

[AV] In the area of punishment, it has been shown that the Garcia Government ordered the broadest investigation and handed over responsibility to the courts.

[SP] General Rabanal, who was the main defendant, remained at his post and was even promoted.

[AV] I could mention the case of Hurtado....

[SP] Who was also promoted. Telmo Hurtado rose to captain.

[AV] I offered you another case, to show that although I am very partial, I am just. But these are problems derived from a structure in which civil power has interfered little with military power. Because we also respect the independence of the armed forces and their hierarchies, and that is how these events might occur.

I do not want to say that we agree on everything. But today, when military power is Fujimori's power, because every time he is concerned he brings out the tanks, responsibility for human rights is tremendous. We, who he says were behind the crime, suffered an entire investigation. Even I was investigated, because I was able to save lives at El Fronton, because President Garcia told me to "go immediately because I think there is a much bigger fight." I arrived and saw that a marine was dead there but I told the commanding general I was "at his service." Until we left.

[SP] Does the logic of some paramilitary actions by the Fujimori Government that are today denounced not have precedents in the APRA Government? Wasn't there a specific logic in areas involving armed forces activities?

[AV] In reality, there were cases that had a certain autonomy; and given that autonomy, those situations might have occurred. But the APRA government was concerned about human rights; it never put up obstacles—and in that respect, we are a little different from what occurred with the previous government—to any

domestic or foreign entity wanting to investigate: we opened doors. So if we made mistakes, they were actually the failures of an imperfect system. But we have opened doors. So I will conclude this section by saying that we may have made mistakes and failed in certain areas; but we always respected human rights and freedom of expression.

[SP] There was a very serious accusation against the "Rodrigo Franco" command, a paramilitary organization that existed during Alan Garcia's administration. One might think of that command as a precedent....

[AV] I would now put it in the past tense: "could have thought." Because after General Robles' statement, it has been clarified that the assassination of lawyer Febres was the work of an organization he accused....

[SP] But that was not the only case.

[AV] But from that point on one speaks of "Rodrigo Franco;" it is attributed to a phantom command, as I always said. Prepared forces there acted in ways we ourselves could not know about.

[SP] I recall the case of Deputy Edilberto Arroyo Mio.

[AV] How often I complained to the Interior Minister about that death.

[SP] You will admit that it was never clarified.

[AV] Fine, it was never clarified, like so many others. Cesar Lopez Silva, who was my comrade and brother; Salaverry....

[SP] Do you think that if APRA does not renew your program, your militancy, and your leadership, it could die?

[AV] APRA is already renewed. The Executive Committee is proof of that. There are no well-known names on it: they are people such as, for example, a provincial secretary, a young man, from Ayacucho, who is now the party's interior secretary. No one knows him, no one knows his name! That is renewal.

[SP] And the program, the one proposed for the nation?

[AV] I believe that there is indeed need for certain updates. But in my view, the main thing about the proposal for the nation is in our establishment of an aura. Now, we must update, update, update.

[SP] APRA had in Victor Raul an almost monarchical leadership structure. Don't you think this is being repeated, this time with Alan Garcia?

[AV] In the first place, I would say that Haya was an almost Bolivarian leader. At certain times there are personalities that polarize: Lenin polarized, Bonaparte polarized, Bolivar polarized....

[SP] Do you also believe that Alan Garcia polarized history?

[AV] No, no, no. He is a product of a new generation, clearly with great charisma; but I know him well, he is not a man who tries to absorb, monopolize. And with the experience he has lived and suffered, I am certain that he will overcome, as he has overcome in the past.

Venezuela

* Oil Industry Pollution in Monagas Surveyed

93WN0463Z Caracas EL DIARIO DE CARACAS in Spanish 2 Jun 93 p 21

[Article by Raquel Marciano Lopez]

[Text] The oil industry, or "filthy industry," has left Monagas a legacy of ghost towns, hunger, and sadness. Like Caripito, it shares the feeling of the peasant girl deceived by the "progressive city fellow" who made many promises, but then, once his purpose was achieved, abandoned her to her sorry fate, plunged in poverty and sadness.

The Key Oil Province

According to information obtained from Jose Torres Ulacio, the regional director of the Ministry of Environment in Maturin, 80 percent of the area of Monagas contains oil, making it the most important oil-bearing province in the country.

However, the extent of this wealth, it would seem, can only be measured in terms of the good that can be obtained from it. Juan Pablo Perez Alfonso calls oil the "excrement of the devil," because the production activities are carried out without the slightest respect for the environment in the zones in which this "important extraction" activity is under way.

Doubling Production

The Oritupano oilfield, which is being exploited by CORPOVEN, a subsidiary of PETROVEN [Venezuelan Oil Company], is located in the Aribi sector, in the southwestern part of the state. There, this PETROVEN subsidiary has decided to double the production of crude oil. However, it has only the same installations it did 30 years ago, and according to the technical reports, their useful life is at an end.

The ecological damage done by the activities of CORPOVEN have been reported to the pertinent authorities since 1990. Some 15 communities in this sector have organized to defend themselves and to prevent the extraction of oil from continuing under conditions providing the environment with only minimal protection. This situation affects El Pueblito de Aribi, El Merey de Aribi, Carapal, Caratal, Las Piedritas, Las Gaviotas, San Jose del Nato, La Sardina, El Maitero, Pericoco, La Puente de Aguas Negras, Las Casitas de Aguas Negras, Santa Barbara, El Limon, and El Venao de Mujica.

Repeated Damage

The technical reports submitted since 1990 have eloquently described the repeated ecological crimes committed by CORPOVEN due to its failure to take the necessary precautions and its disregard for the recommendations issued by the Ministry of Environment and Renewable Natural Resources. In addition, it has failed to implement even the ordinary sanitation measures.

Although oil spillage is the main cause of the ecological damage, it is not the only "situation" resulting from the oil-extraction activities. For example, since 1990, there have been reports of the deteriorating flow in the Las Gaviotas Stream as a result of the shifting of earth that originates in the areas near these water sources. This has caused serious problems, since in the rainy season, large quantities of sand are carried downstream, and they have almost entirely blocked the main channel of this stream and all of the adjacent ones, including the La Burra Stream, which is the source of supply for the producers in the zone.

According to the information provided by the technical commissions, the damage caused by the so-called "contingency situations" are recurrent. The plant cover is being destroyed, ditches are being dug for waste, and

they fail to conform to the required parameters in terms of capacity, auxiliary ditches, and impermeable linings. As a result, the liquids percolate into the existing aquifers and cause damage. These ditches also overflow, contaminating the lakes, ravines, palm plantings, and rivers.

The technical reports also indicate that a lack of security in the area of the oil stations can be observed, in addition to extensive exposed pipelines. This creates a high level of risk, since vehicles travel along some sections of the pipeline, and animals have free access to the station.

A Giant Problem

At Discharge Station Five, a gigantic problem has been noted on the ground level. It is located within a ditch about 120 meters from the station's tanks. There are vile odors in the area, caused by the burning of sulfur that comes from the brackish water. Black smoke is also present, because oil is being burned as well. Because of these factors, the vegetation in the environs has been affected by the heat generated by the problematical marshy ground. It is worth noting that no steps have been taken to provide security where access to the station area is concerned.